The myth of the underpaid soldier

How lobbies are ruled by their worst members

The Washington Monthly

MAY 1983/$2

A NEOLIBERAL'S MANIFESTO

by Charles Peters

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HOW MUCH IS TOO MUCH TO DRINK IF YOU'RE DRIVING?

USING THIS CHART MAY HELP YOU KNOW YOUR LIMIT.

First, you should understand that drinking any amount of alcohol can impair your ability to drive.

The generally accepted way to measure intoxication is by your Blood Alcohol Concentration (BAC). In most areas, the legal definition of intoxication is .10 percent BAC and above. However, long before you reach .10 BAC, your judgment and motor skills deteriorate rapidly. In fact, some states include the definition of impaired driving ability, which usually begins at .05 percent.

Important factors to keep in mind are how much you've drunk in a given period of time, how much you weigh and whether you've been eating. Your age, individual metabolism and experience with drinking are also factors. However, it simply is not true that beer or wine is less likely to make you drunk than so-called "hard" drinks. A 6-ounce glass of wine, a 12-ounce can of beer or 1½ ounces of 86-proof whiskey have about the same amount of alcohol and will have about the same effect on you.

How to estimate your Blood Alcohol Concentration. Although the effects of alcohol vary a great deal, the average effects are shown in the accompanying chart prepared by the National Highway Traffic Safety Administration. Find your weight in the left-hand column and then refer to the number of drinks you have had or intend to have over a two-hour period. For example, if you weigh 160 pounds and have had four beers over the first two hours you're drinking, your Blood Alcohol Concentration would be dangerously beyond .05 percent, and your driving ability would be seriously impaired—a dangerous driving situation. Six beers in the same period would give you a BAC of over .10 percent—the level generally accepted as proof of intoxication.

It is easier to get drunk than it is to get sober. The effects of drinking do taper off as the alcohol passes through your body, but the drop is slow. In the example above, the person who had six beers would still have significant traces of alcohol in his blood six hours later.

Having a full stomach will postpone somewhat the effects of alcohol, but it will not keep you from becoming drunk.

Black coffee, cold showers, or walking around outdoors will do nothing to make you sober. Of course, someone who claims, "I'll be okay as soon as I get behind the wheel," may be making a fatal misjudgment.

At General Motors, we have developed a device which tests a driver's reflexes and motor responses before it allows the car to start. The Department of Transportation is now testing it in California as a deterrent to repeat offenders. Today, you, the driver, have to know your limits and when you've gone beyond them. If you have any doubts, don't drive.

Even if you're not drinking, other drivers may be. Your best protection is still the seat belts in your car. Accidents do happen, and wearing lap and shoulder belts doubles your chances of coming through one alive.

DRINKS (TWO-HOUR PERIOD)

Weight	1½ ozs. 86° Liquor or 12 ozs. Beer											
100	1	2	3	4	5	6	7	8	9	10	11	12
120	1	2	3	4	5	6	7	8	9	10	11	12
140	1	2	3	4	5	6	7	8	9	10	11	12
160	1	2	3	4	5	6	7	8	9	10	11	12
180	1	2	3	4	5	6	7	8	9	10	11	12
200	1	2	3	4	5	6	7	8	9	10	11	12
220	1	2	3	4	5	6	7	8	9	10	11	12
240	1	2	3	4	5	6	7	8	9	10	11	12

BE CAREFUL DRIVING BAC TO .05% — **DRIVING IMPAIRED .05-.09%** — **DO NOT DRIVE .10% & UP**

Source: NHTSA

The chart shows average responses. Younger people generally become impaired sooner, while older people have more vision problems at night. Tests show a wide range of responses even for people of the same age and weight. For some people, one drink may be too many.

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LETTERS

The K. School and Real Life

Okay: so Harvard's Kennedy School of Government isn't perfect. But Jonathan Alter's recent article ["Harvard vs. Democracy," March] is unfortunately a sadly transparent and narrow critique—far more flawed than the school itself.

The author's basic premise seems to be that all programs at the K. School "include a large measure of courses covering the application of statistics, econometrics, and microeconomics." But that assumption is wrong, thereby providing a shaky foundation for Alter to build his further arguments on. The strict curriculum is present in the public policy program—and I share Alter's doubts about its practical value. But students in the large Mid-Career Master in Public Adminstration program, in which I am currently enrolled, do *not* have any required courses. In fact, the very elements which Alter complains are missing at the school—"the real-life examples that could allow government managers to grasp that essential human understanding"—*are* present in this program, represented by the students themselves and the courses of study they choose to pursue.

In K. School classes this year students from all programs sit surrounded by colleagues with fascinating and diverse backgrounds. Among the 220 Mid-Career students, for instance, senior bureaucrats, journalists, and politicians represent almost every state in the union and 38 foreign countries. Engineers design roads for Australia's outback and Boston's downtown. . . . journalists arrive from four-year stints in Paris and from North Carolina newsrooms. . . . a media-relations expert hails from Canada. . . . a labor-relations manager from South Africa. . . . science advisers from Japan and Germany.

Alter says it would be difficult for him to imagine President Johnson attending a school of public affairs, maintaining that "government and politics are often viewed in very separate terms at the school." Yet in my class are a number of elected officials from several states—surely these are the presidents of the future.

JANE BURNES
Cambridge, Massachusetts

Jonathan Alter's article on Harvard's Kennedy School of Government makes some valid criticisms of how policy analysis attacks democracy with technocracy. He tells us that policy analysis is not a neutral science, at least to the extent that "objective" analysis and the tumult of representative government are at loggerheads. Analysts wielding sophisticated methods depoliticize issues and befuddle the uninitiated, creating government by the elite.

However, Alter overstates the danger of elitism while missing a more pernicious and immediate bias in the policy analysis profession. The Kennedy School and the discipline of policy analysis teach neoclassical microeconomics as a supposed science of political economy.

Microeconomics sees the world as a marketplace. Efficient production of goods is the sole goal of life, and individuals exist only as sets of consumer preferences. Like Euclidian geometry, it provides an internally consistent system that lends itself to endlessly fascinating mathematical games. For otherwise perceptive individuals who are troubled by the messy complexity of the real world, microeconomics provides a soothingly complete explanation of reality.

Because of its worship of the free market, microeconomics presumes government guilty until proven innocent. This economic viewpoint cannot see how the social compact of a nation necessarily sets the terms under which any economy operates. It also cannot treat such concerns as nationalism, religious attitudes, political alienation, and the other juices of politics as anything other than exceptions to economic "laws."

The Kennedy School's fostering of a "science of government" based on the ideology of microeconomics may ultimately be a greater problem than the new brand of elitism that worries Alter. Our political leaders can easily spot a Brooks Brothers technocrat when they see one, but how many politicians will recognize the ideology of efficiency for what it is?

RON LANOUE
Brookline, Massachusetts

The author replies:

Ms. Burnes, I never said in my article that all courses at the Kennedy School ignored nonquantitative factors. I did say that the real world of politics was unfortunately deemphasized in favor of the type of discipline that Mr. Lanoue accurately criticizes.

Software and Heartwear

Gregg Easterbrook's article ("The Heart of a New Machine," March) gives both the computer jock and the uninitiated much food for thought about the substitution of the personal computer for those troublesome human relationships.

This otherwise fine article was, however, marred by a number of technical inaccuracies. Specifically, computers:

—Hardly ever answer exactly what they are asked
—Do grumble
—Do mouth off
—Can be very emotionally demanding
—Are unsafe (when you punch your hand through the screen)
—Are not controllable or predictable
—Can be difficult to get along with
—Do routinely turn on the operator
—Constantly insist on talking about what they want to talk about—ignoring the human operator

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—Always do what they want to do without regard for the human half of the system
—Find me boring when they go off to never-never land, locking up the keyboard and refusing to acknowledge that I'm even there
—Regularly forget to call the right file
—Ask innumerable favors in order to accept the simplest instructions.

If these technical inaccuracies were corrected, Gregg's thesis that the personal computer can substitute for many human interactions, would be vastly strengthened.

DAVID J. BISS
Silver Spring, Maryland

Golden Oldies

After a lapse of many years I recently resubscribed to *The Washington Monthly*. I was delighted to find your comments in the March issue ["Tilting at Windmills"] concerning the elimination of Social Security benefits for those who do not need them. Somehow I have had the lonely feeling that my cries on this subject were heard only in the wilderness. But I have found a strong positive response among retired people of wealth on Cape Cod. So perhaps there is hope.

PAUL DONHAM
Yarmouth Port, Massachusetts

Charles Peters advocates taxing half of Social Security income above $25,000 as a step toward the "ultimate reform. . . elimination of benefits for people who don't need them." A splendid suggestion, and I'm sure one as fair-minded as Mr. Peters would subscribe equally to the elimination of contributions from those same people.

Each taxpayer qualifying for an exemption could file a "Declaration of Self-Sufficiency" supported by evidence of economic independence and drop out of Social Security entirely leaving it to those who need it.

Of course, if one must contribute without receiving benefits, it is no longer Social Security but plain and simple welfare.

JAMES F. HAGAN
West Boylston, Massachusetts

The editor replies:

No, it isn't. It's insurance against need. Just like insurance against cancer. You pay for the insurance, but you're only paid if you get the cancer or become a needy senior citizen.

Take a Look, Fellas

"Tilting at Windmills," in the March number, quotes *Washington Times* columnist Fred Reed about no telephones in Washington subway stations.

It appears that both Fred Reed and Charles Peters should ride the Metrorail sometime before they put it down in this respect. All Washington subway stations have pay telephones right next to the add-fare machines.

EARL H. DE LONG
Arlington, Virginia

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CONTENTS

Volume Fifteen Number Three
May 1983

Tilting at Windmills
by Charles Peters
Scuba wars in New York. . .
Rotarians in Grenada. . .
and other odds and ends. . . 4

A Neoliberal's Manifesto
by Charles Peters
Community, Prosperity, Democracy:
A platform for the future. 8

Soldiers of Good Fortune
by Phil Keisling
They're not leaving today's
military—they're trying to get in. 20

Lowest Common Denominator Lobbying: Why the Banks Fought Withholding
by Bill Keller
When they cater to their
worst members, Washington lobbies
can do the most damage. 32

Advise and Forget
by Jason DeParle
The federal government has
more than 1,000 advisory commissions.
Try to name three. 40

Bureaucracy and the Bomb: The Hidden Factor Behind Nuclear Madness
by Fred Kaplan
How the Navy and the Air Force
have pursued their own version
of Mutual Assured Destruction. 48

LETTERS 1
MEMO OF THE MONTH 19
MONTHLY JOURNALISM AWARD 39
POLITICAL BOOKNOTES 58
POLITICAL PUZZLE 57
TIDBITS AND OUTRAGES 29
WHO'S WHO 47

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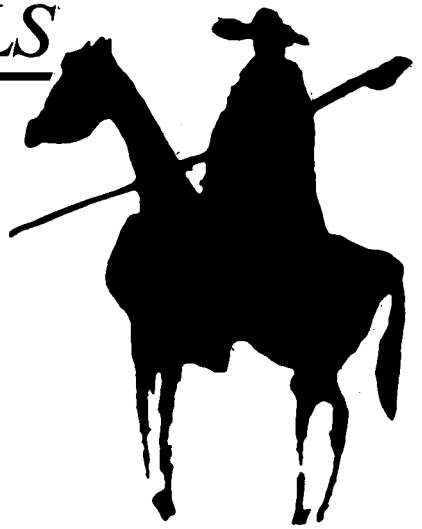
TILTING AT WINDMILLS



For those of us who live by the pen, there are occasional intimations of how we will meet our demise. Recently, for example, a local columnist commented on my suggestion that we eliminate dinner parties and just send out invitations and guest lists so that everyone can know where he stands socially without having to endure the events themselves: "Many Washingtonians who have dined with Charlie find the idea quite attractive."...

Inspired by the interest-and-dividend withholding proposal now pending in Congress (see Bill Keller's article beginning on page 32), my friend Shela Turpin-Forster asks, Why not have race tracks withhold, say, 10 percent from each winning ticket?

This strikes me as a marvelous idea. The psychology of the average horse player is such that a 10 percent deduction from his take would not deter him in the slightest, so there could be no rational objection from the tracks on the basis of possible loss of business. And since there is little correlation between the zeal to gamble and the zeal to file income tax returns, the government would be sure to pick up a lot of revenue it's been missing....

In March, I wrote an article for *The Washington Post* entitled "The Myth of the Underpaid Federal Worker." In it I discussed the widespread use of inflated job descriptions to secure higher grades and salaries for civil servants. The practice—important duties of a position are exaggerated while its routine or trivial aspects are minimized—is so common that a recent study by the Office of Personnel Management found that more than 100,000 federal jobs in the Washington area alone are overgraded. Yet the reaction to my article was explosive. It was said that I had "demeaned" or "impugned the integrity" of my former associates in the government by saying such a practice exists.

We used to laugh about the embroidered job descriptions when I was in the government in the sixties. "Why are people so upset to have it discussed today?" I asked a wise friend who is in the civil service now. Her answer did not change my mind about overgrading, but it did help me understand the reaction of the government employees.

She said, "Charlie, when you began working in the Kennedy administration, we had a president who thought public service was the highest calling. It was exciting to go to work in the morning, and you were proud to say you were part of the government. Since you left the government, we've had Nixon, Ford, Carter, and Reagan. Their attitudes toward the civil service ranged from tepid indifference to contempt. Without an encouraging word from their boss for all these years, it's not surprising that government employees are becoming a bit paranoid."

I agree. Even in the best of times it's hard for a civil servant to gain recognition for his accomplishments. Before I entered the federal government, I was a lawyer, a politician, and a state legislator. In each of those positions, there was at least some chance of measurable public accomplishment. In court, I could win the case. In politics, I could win the election. In the legislature, I could get law enacted. In the civil service, no one knows what you're doing. This is good if you're not doing very much. But it's a bit hard on your morale if you're doing something that's truly important and doing it well.

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Maybe that's why farewell parties mean so much to a civil servant. At last, his wife and children can hear him praised for what he has done and know that he has earned the esteem of his colleagues. . . .

How many ways can a president sign his name? Knight-Ridder's Dave Bartel recently looked into this matter and found that the White House computer offers a wide choice of signature buttons. Push CP1 and you get Ronald Wilson Reagan. That's clearly for documents in the constitutional amendment class. CP2 gets Ronald Reagan, for less weighty but still serious occasions. Things become more informal as CP5 gets you Ron Reagan; CP6, Ronald; and CP7, Ronnie. You'll know you're really in if they push CP4 for you. That's the code for Dutch. . . .

Not long ago *The Wall Street Journal*'s Albert R. Hunt wrote a column on the interest-group liberalism practiced by the leading Democratic presidential candidate. "At the rate he's going," wrote Hunt, "don't be surprised if Fritz Mondale soon endorses government-subsidized kosher lunches for gay, left-handed, unemployed schoolteachers." I hope Mondale listens to the warning Hunt is trying to give him. . . .

Last December a truck wreck occurred in Los Banos, California. Nine containers, each holding a 14-foot, 3,000-pound Navy missile, spilled to the ground. The truck driver was accused of drunken driving. He was carrying an Arkansas driver's license. Public records in that state showed a previous arrest for public drunkenness and a conviction for drunken driving after another accident, not to mention, according to the *San Jose Mercury News*, a burglary conviction and arrests for reckless driving, petty theft, and being a felon in possession of a firearm.

If you share my anxieties about who is responsible for what in the shipment of hazardous materials, you will not be comforted to learn that the military doesn't check on the drivers of such shipments. "We rely on the carrier to perform in good faith," said a military spokesman.

And trains are no better than trucks. Did you know there is no federal regulation against drinking by train crews? Yet, according to the National Transportation Safety Board, there is "conclusive evidence" of alcohol consumption by the locomotive crew of the Illinois Central train that wrecked in Louisiana last year with many of its cars burning for days and forcing thousands of people to evacuate their homes. . . .

In "A Neoliberal's Manifesto" I mention the power of the boat-owners' lobby. Here's an example. A drawbridge in Maryland called the Kent Narrows Bridge opens to let boats pass through every hour for 15 minutes. The bridge serves 150,000 vehicles on an average summer weekend. While it is open, traffic backs up as much as 14 miles, radiators overflow, children fret, marital strife blooms, and even milquetoasts like me lose their tempers. For what are the 150,000 cars backed up? An average of 135 boats per weekend . . . .

We often criticize the cozy, mutually protective relationships among the Washington establishment. But there is a good side to the story, and David Broder captured it with this anecdote:

"Last Christmas, the prospect of a bipartisan agreement on Social Security seemed remote. The commission that was assigned to draft such a proposal was on the verge of breaking up.

"One thing that kept it going was the friendship of Senator Robert Dole and Senator Daniel P. Moynihan, both commission members, and the link to the White House Moynihan enjoyed through his one-time Harvard protege and live-in babysitter, David A. Stockman, the director of the OMB.

"Perhaps an even more significant and less public back-channel of communication linked Richard G. Darman, a special assistant to the president, and Robert M. Ball, the former Social Security commissioner, who was the key strategist for the Democrats on the commission. "Ball and Darman formed their friendship in a bizarre moment of the Nixon administration, when some overeager politicians on his White House staff tried to grab credit for a Social Security benefit increase by sending out a red-white-and-blue insert, with Nixon's picture, with every Social Security check the month the increase went into effect.

"Ball threatened to resign as Social Security commissioner if they did that. Darman, then a young assistant to Health, Education and Welfare

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Secretary Elliot Richardson, was the one who countermanded the White House order and saw to it that a less gaudy notice went out with the checks.

"Through the years, though Ball became an adviser to the Democrats and Darman moved on to the Reagan White House staff, each remembered that in a crunch he could reach out to the other." . . .

By now you have heard about Paul Arthur Crafton, the George Washington University professor who used false identities to teach at several other colleges at the same time. It is a comment on the paper credentials criticized elsewhere in this issue that they enabled Crafton to fool so many academics. It is a comment on the morality of modern American academics that, when Crafton's use of false identities was disclosed to George Washington officials in 1981, they declined to investigate. "We don't monitor the private lives of our faculty," says the university provost.

But, most of all, what does the fact that Crafton could manage to hold down several teaching jobs simultaneously say about the work load of college teachers today? Crafton's is not, by the way, the only such case to come to light. Four years ago one Charles I. Villiers was caught holding not just teaching positions but *tenured* professorships at two different universities. The next time your son's or daughter's college says you've got to fork over an extra thousand or so to meet "escalating expenses," why don't you suggest an escalating course load for the faculty instead? . . .

It's always satisifying to find someone who agrees with you, so recently I've been delighted to find both James Rowe, the veteran New Dealer, in an interview in *The Washington Post* and Nathan Miller, in his new biography, *FDR: An Intimate History*, join me in thinking that a crucial factor in FDR's success in the presidency was his almost eight years' experience as assistant secretary of the Navy under Woodrow Wilson. His years there gave him much more experience in dealing with the federal bureaucracy than any other modern president. . . .

In making the case in this issue that the military is generally well-paid if not overpaid, Phil Keisling acknowledges that occasionally there are shortages of skilled people like pilots and mechanics and that when shortages threaten, we must be able to increase salaries for them quickly so that we can remain competitive with private employers. The same is true of the civil service. There are from time to time shortages of engineers, accountants, computer experts, scientists, and others, just as there is a shortage of math and science teachers in the public schools. The government must be able to pay what is needed to attract and keep such people. But it is absurd, in times of severe budget deficits, to give across-the-board raises to civil servants and teachers whose skills are not in short supply. Yet such across-the-board increases have become the rule in the military, the civil service, and the schools.

We need far more individual appraisal of what government employees actually do, of how well they are doing it, and of how much we need their skill. There is tremendous waste in the across-the-board system—and tremendous harm to the morale of the exceptional, who, for reasons of bureaucratic convenience, find themselves treated the same as the average or even the marginal.

Such individual appraisal would enable us to eliminate both the grade inflation I have mentioned and slot inflation. Slot inflation is where more slots—or positions— are authorized for a bureaucratic unit than it really needs. One explanation for this inflation I've discussed here before. It is that bureaucracies respond to peak demand by staffing for peak demand but then refuse to surrender slots as demand declines or even disappears.

Another way slot inflation occurs is when, as from time to time happens in every agency, the head of one unit acquires unusual power in relation to the rest of the agency. The kind of person who acquires such power is often a dedicated empire-builder. He will intimidate the poor souls in Personnel who have heard about his clout and will give him all the slots he wants. He has the satisfaction of knowing his unit is now the largest in the agency. But, inevitably, he departs. What happens to the slots? They stay.

A third way slot inflation happens is when the agency has to figure out what to do with poor George. Poor George just can't cut it, but everybody loves him—and even if they don't they can't fire him. So to get George out of a job where the mail needs

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to be delivered and he is not delivering it, a job has to be created for him that sounds good but has absolutely no connection with mail delivery or any other reality. Eventually good old George retires. But the slot remains. The agency announces the opening. And everyone in Washington who has passed the point of wanting to deliver mail of any kind, recognizes the delicious opportunity at hand and applies immediately. . . .

I must confess that unlike Ronald Reagan, I have not lost sleep over the danger of a Red takeover in Grenada. The local culture would, I suspected, impart a flavor to the revolution unanticipated by cold warriors in either Moscow or Washington. This suspicion has been confirmed by the experience of a friend who was in Grenada last month trying to find out if the airport there was really being built by the Russians as the administration alleges. He went to the airport around noon and could find no one around. Finally a man appeared who told him where the project manager could be found. Was it at the Russian embassy, you ask. No, it was at the weekly luncheon of the local Rotary Club.

My friend also reported that the front of the current Grenada phone book carries this notice: "In 1979, a revolution took place establishing a People's Revolutionary Government under the leadership of Morris Bishop, a lawyer.". . .

Speaking of credentials, the calling card of A. James Golato, the corporate director of public affairs of H&R Block, leaves no doubt about his. Beneath his name and title is this, in parentheses: "(Former National Director of Public Affairs and Assistant to the Commissioner, Internal Revenue Service).". . .

To give you an idea of how government salaries are often ludicrously unrelated to the responsibilities of the recipients, consider the fact that the average postal worker now gets more than $25,000 a year in pay and benefits while budget examiners at the Office of Management and Budget can earn as little as $20,000. These examiners at OMB have to rank at least among the thousand most influential federal employees. There are, for example, only five examiners on federal health programs, and they play crucial roles in determining how much money the Department of Health and Human Services will get and how it will be allocated. . . .

If you sometimes suspect there is a bit of duplication in government services, you will not be surprised by an April 9 story in *The Washington Post* that told of the Federal Protective Service's desire to have its own jail or "holding facility" in Washington. We already have the District of Columbia's jail plus holding cells for the U.S. Park Police, the U.S. Capitol Police, and the Secret Service.

The reason for this insanity seems to be that the District's police claim credit for arrests when the suspect is booked at the D.C. jail, and the fellows in the federal protective service want credit for their own arrests. If you fall into the Hudson River, you may drown because of a similar problem. Both the police and fire departments of New York City have scuba-diving teams that are in the midst of a turf war over which one should rescue you. . . .

How much does he resent the WASP elite? a reporter recently asked Zbigniew Brzezinski. Zbig's gracious reply: "Curiously enough, I don't. I regret that it's passing. The problem with the WASP elite is that it is politically fragmented and no longer exercises homogenous influence on our foreign policy. Socially, it has become increasingly effete, weak, guilt-ridden, indecisive.". . .

The noble example of the United States Senate in accepting what some would call bribes but the senators call speaking fees is being emulated on the state level. The Republican leader of the California senate, William Campbell, took in $31,150 for speeches last year. A state assemblyman, Willie Brown, without even bothering to speak, got $13,964 in "gifts." Who can doubt that those gifts represented a spontaneous outpouring of love and esteem for Mr. Brown and his distinguished record of service to the people of California? . . .

During all the debate about taking away the Burning Tree Country Club's tax exemption because the club discriminates against women (see "Tidbits and Outrages," page 29), no one has asked why give a tax exemption to *any* private club? What this exemption means is that we are subsidizing the rich members as they sit around the locker room condemning welfare cheating and other scandalous socialistic abuses. . . .

—*Charles Peters*

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Neoliberalism is a terrible name for an important movement. As the sole culprit at the christening, I hereby attest to the innocence of the rest of the faithful. They deserve something better, because they are a remarkable group of people.

Those I know best are my fellow journalists, including James Fallows and Gregg Easterbrook of The Atlantic, *Michael Kinsley and Robert M. Kaus of* Harper's, *Nicholas Lemann and Joseph Nocera of* Texas Monthly, *Bill Broyles, Jonathan Alter, and Walter Shapiro of* Newsweek, *and Randall Rothenberg, who wrote the first article about the movement in* Esquire. *But there are many others ranging from academics like Harvard's Robert Reich and MIT's Lester Thurow to a governor like Arizona's Bruce Babbitt to promising young senators like Bill Bradley of New Jersey and Paul Tsongas of Massachusetts. There's even a cell at that citadel of traditional liberalism,* The New Republic. *And three presidential candidates, Gary Hart, Ernest Hollings, and Reubin Askew—and one almost-candidate, Dale Bumpers—have been called or call themselves neoliberals.*

While we are united by a different spirit and a different style of thought, none of these people should be held responsible for all of what follows. Practicing politicians in particular should be presumed innocent of the more controversial positions. When I use the first person plural, it usually means some but not all of us, and occasionally it may mean just The Washington Monthly.

Charles Peters is the editor of The Washington Monthly. *This is a revised and expanded version of an article he wrote for* The Washington Post.

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A NEOLIBERAL'S MANIFESTO

by Charles Peters

If neoconservatives are liberals who took a critical look at liberalism and decided to become conservatives, we are liberals who took the same look and decided to retain our goals but to abandon some of our prejudices. We still believe in liberty and justice and a fair chance for all, in mercy for the afflicted and help for the down and out. But we no longer automatically favor unions and big government or oppose the military and big business. Indeed, in our search for solutions that work, we have come to distrust all automatic responses, liberal or conservative.

Perhaps nowhere have the liberal and conservative responses been more automatic than in the areas of welfare and crime. On welfare, the liberal tends to think all the poor (or practically all) are deserving, the conservative that they are bums and cheats who drive around in Cadillacs. The liberal bleeds for the criminal, blaming society for his crimes, and concocting exotic legal strategies to help him escape punishment. The conservative, on the other hand, automatically sides with police and prosecutor. Each group eagerly seizes on evidence that supports its position and studiously averts its eyes from any fact that might support the other side.

These automatic responses, by keeping us from facing any fact that might not fit them, mean that we aren't considering all the approaches that might help us solve our national problems. The inadequacies of the automatic response became dramatically obvious with the emergence of the problems that began to cripple the nation in the 1970s: declining productivity; the closed factories and potholed roads that betrayed decaying plants and infrastructure; inefficient and unaccountable public agencies that were eroding confidence in government; a military with too many weapons that didn't work and too few people from the upper classes in its ranks; and a politics of selfishness symbolized by an explosion of political action committees devoted to the interests of single groups.

Behind the liberals' inability to deal with these problems were four observable if unacknowledged principles.

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The first was Don't Say Anything Bad About The Good Guy. The feeling here seemed to be that any criticism of institutions they liked—the public schools, the civil service, and the unions are good examples—was only likely to strengthen the hand of their enemies. A corollary was Don't Say Anything Good About The Bad Guys, meaning the police, the military, businessmen (unless small), and religious leaders (unless black or activist). What all this meant was a shortage of self-criticism among liberals and an unwillingness to acknowledge that there just might be some merit in the other side's position.

The second principle was Pull Up The Ladder. In both the public and private sector, unions were seeking and getting wage increases that had the effect of reducing or eliminating employment opportunities for people who were trying to get a foot on the first rung of the ladder. If, for example, more and more of the library's budget was used to pay higher and higher salaries for the librarians in the system, there would be little or no money to hire new librarians or even to replace those who left. So the result was not only declining employment but declining service. In the District of Columbia, libraries that were open 70 hours a week at the beginning of the decade were down to 40 hours by its the end. The city of Los Angeles has eliminated 1,995 jobs while radically reducing its street repaving and its library hours. At the same time it increased to 75 percent the proportion of its budget devoted to salaries and fringe benefits, including $93,688 to its fire chief and $98,908 to its police chief.

In the case of the auto and steel industries, the continuing wage increases meant that the industries became uncompetitive and went into decline. For a while all this meant was that the workers already on the ladder were doing better than ever. There just weren't any new jobs. Then as orders declined, layoffs followed and younger workers began dropping from the ladder. And, finally, as whole plants were closed, many of the fellows who had been pulling up the ladder found themselves out of work, too.

During this time too many liberals followed the Don't Say Anything Bad About The Good Guy principle, and refused to criticize their friends in the industrial unions and the civil service who were pulling up the ladder. Thus liberalism was becoming a movement of those who had arrived, who cared more about preserving and expanding their own gains than about helping those in need. Among this kind of liberal there is powerful need to deny what they are doing, which means they become quite angry when it is exposed. When this magazine revealed that Washington's black upper class was pouring money into a fancy YMCA for its own use while neglecting the Y (now closed) that served poor blacks, there were howls of outrage. There is a similar reaction whenever we come close to suggesting that a poor black child might have a better chance of escaping the ghetto if we fired his incompetent middle-class teacher.

The third principle is The More The Merrier. The assumption here—and it is often correct—is that the more beneficiaries there are of a program, the more likely it is to survive. Take Social Security. The original purpose was to protect the elderly from need. But, in order to secure and maintain the widest possible support, benefits were paid to rich and poor alike. The catch, of course, is that a lot of money is wasted on people who don't need it.

Similarly, the original justification for the tax breaks for capital gains and mortgage interest was that they would stimulate investment in new plants and new housing, thereby creating new jobs. But the breaks were also given to trading in stocks that represented only existing plants and to trading in existing housing. This cost the treasury a bundle and the only new jobs it created were for stock and real estate brokers.

The fourth principle is Politics Is Bad And Politicians Are Even Worse. Liberalism entered the seventies having just depoliticized the last refuge of patronage, the post office. The catch was that in destroying patronage—the last nail in the coffin was a mid-seventies Supreme Court decision that actually held it was unconstitutional to fire a political appointee for political reasons—no one noticed that democracy was the first casualty. If democracy means we are governed by people we elect and people they appoint, then it is a not insignificant fact that the people we elect can now choose less than one percent of those who serve under them. Without the lifeblood of patronage, the political parties have withered and been replaced by a politics of special interest. And since liberals assumed that patronage was always bad, they could see no answer to the problem.

Opposed to these four principles of the old liberalism are the primary concerns of neo-liberalism: community, democracy, and prosperity.

Economic growth is most important now. It is essential to almost everything else we want to achieve. Our hero is the risk-taking entrepreneur who creates new jobs and better products.

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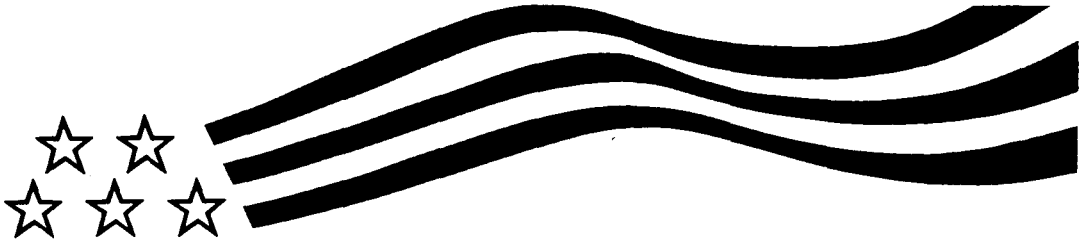

Liberalism has become a movement of those who have arrived, who care more about preserving their own gains than about helping those in need.

"Americans," says Bill Bradley, "have to begin to treat risk more as an opportunity and not as a threat."

We want to encourage the entrepreneur not with Reaganite policies that simply make the rich richer, but with laws specifically and precisely designed to help attract investors and customers. For example, Gary Hart is proposing a "new capacity" stock, a class of stock issued "for the explicit purpose of investment in new plants and equipment." The stock would be exempt from capital gains tax on its first resale. This would give investors the incentive they now lack to target their investment on new plants and equipment instead of simply trading old issues, which is what most of the activity on Wall Street is about today.

We also favor freeing the entrepreneur from economic regulation that discourages desirable competition. But on the matters of health and safety, we know there must be vigorous regulation, because the same capitalism that can give us economic vitality can also sell us Pintos, maim employees, and pollute our skies and streams.

Our support for workers on health and safety issues does not mean support for unions that demand wage increases without regard to productivity increases. That such wage increases have been a substantial factor in this country's economic decline is beyond reasonable doubt. But--and this is a thought much more likely to occur to neoliberals like Lester Thurow than to neoconservatives—so have ridiculously high salaries for managements that show the same disregard for performance. The recently resigned president of International Harvester was being paid $1.4 million a year as he led his company to the brink of disaster.

We also oppose management compensation that encourages a focus on short-term profit instead of long-term growth. And we favor giving the worker a share in the ownership of his company.

In this connection, a perfect example of the neoliberal approach was provided by Paul Tsongas during the Senate debate over the Chrysler bailout. The United Auto Workers sought guaranteed wage increases for its members. Tsongas objected. Why should a company on the verge of bankruptcy pay wage increases? On the other hand, Tsongas realized that workers would feel exploited if their efforts produced profit for the company and it all went to the shareholders. The Tsongas solution was to give the workers stock instead of money. If their efforts helped save the company, they would not be suckers, they would share in the success.

Another way we depart from the traditional liberal's support for organized labor is in our criticism of white-collar unions for their resistance to performance standards in the evaluation of government employees. We aren't against government, period, as—with the exception of the national security apparatus—many conservatives appear to be. But we are against a fat, sloppy, and smug bureaucracy. We want a government that can fire people who can't or won't do the job. And that includes teachers. Far too many public-school teachers are simply incompetent.

Our concern about the public school system illustrates a central element of neoliberalism: It is at once pragmatic and idealistic.

Our practical concern is that public schools have to be made better, much better, if we are to compete economically with other technologically

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advanced countries, if we are to have more Route 128s and Silicon Valleys. Our idealistic concern is that we have to make these schools better if the American dream is to be realized. Right now there is not a fair chance for all because too many children are receiving a bad education. The urban public schools have in fact become the principal instrument of class oppression in America, keeping the lower orders in their place while the upper class sends its children to private schools.

Another way the practical and the idealistic merge in neoliberal thinking is in our attitude toward income maintenance programs like Social Security, welfare, veterans' pensions, and unemployment compensation. We want to eliminate duplication and apply a means test to these programs. They would all become one insurance program against need.

As a practical matter, the country can't afford to spend money on people who don't need it—my aunt who uses her Social Security check to go to Europe or your brother-in-law who uses his unemployment compensation to finance a trip to Florida. And as liberal idealists, we don't think the well-off should be getting money from these programs anyway—every cent we can afford should go to helping those really in need.

The pragmatic idealism of neoliberals is perhaps the clearest in our reasons for supporting a military draft.

A draft would be a less expensive way to meet our need for military manpower because we would no longer have to use high salaries to attract enlistees. It would also be the fairest way, because all classes would share equally in the burdens and risks of military service.

Those who are drafted and opposed as a matter of conscience to military service should have the option of entering a domestic or overseas peace corps. But if that option is taken, the term of service should be three years instead of two; this should help guarantee that the decision is in fact one of conscience. In the long run we hope a draft will not be needed. We want to see a rebirth of the spirit of service that motivates people to volunteer to give, without regard to financial reward, a few years of their lives to public service, including military service. But for now we realize that the fear of being a sucker, if not just plain selfishness, will keep the upper classes from volunteering.

There is another reason for our support of a draft at the present time. We want to bring people together. When I was growing up, social classes were mixed by both the public schools and the draft. Today the sons of the rich avoid the public schools and scorn the military service. This is part of a trend toward separatism—not only by race but by class and interest group—that has divided the nation and produced the politics of selfishness that has governed this country for more than a decade.

The rise in the power of the interest-group lobbies has been accompanied by an increase in single-issue politics, with misleading oversimplifications of the other side's position—as on abortion, for example—and a tendency on both sides to judge a politician solely by his stand on this one matter.

I think the only possible salvation for this republic is a citizenry that is determined to inform itself on a broad range of important issues—and that will vote for an elected official on the basis of his or her stand on *all* the issues. We now have a Congress that is petrified of offending any single, passionate group—be they private boat owners or banks—and that won't change until the members know we're not going to throw them out of office on any basis other than overall performance.

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If democracy means we are governed by people we elect, then it is a not insignificant fact that the people we elect can now choose less than one percent of those who serve under them.

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The only way to destroy the escalating power of the lobbies is to destroy single-issue politics. Today everyone is imitating the National Rifle Association. That's the way to have a successful lobby. It's also the way to ruin America.

We have made dividing ourselves against ourselves into a virtue. While it is certainly necessary at times, the adversary approach to problems has come to dominate our national life, at a disastrous cost to all of us.

In industry, our adversarial system has been a major factor in making our corporations less efficient than their foreign competition. In Japan auto workers think about how they can improve their products; in America, they think about filing grievances. In theory the adversarial relationship between management and labor is supposed to act as a guarantee against antisocial behavior by either. In the seventies, however, it resulted in both sides taking what they wanted. And in such basic industries as steel and automobiles, this meant that we priced ourselves right out of an ability to compete with foreign producers.

The adversary relationship between Congress and the White House all too often paralyzes government. It has led to a situation where Congress cannot trust the information provided by the executive branch. As a result Congress has set up its own bureaucracy, including a budget office, to develop the same information that is supposed to be provided by federal agencies.

Finally, the adversary system of justice helps to create a society where differences are magnified, breeding suspicion and mistrust, instead of calmly reconciled. That's why we favor a no-fault approach to two of the major court-cloggers—divorce and auto accidents—and the use of mediation in most other cases. Mediators would not have to be lawyers. They could be elected by their neighbors or selected by the parties to the dispute.

Our reason for opposing a law degree as a requirement for mediators brings us to another fundamental tenet of neoliberalism. We have only the most modest regard for degrees or other paper credentials. People should be judged on their demonstrated ability to perform, not on their possession of a piece of parchment. The ultimate silliness of credentialism was revealed last year when a former major leaguer was for a time denied the right to coach high school baseball because he lacked a teaching certificate. The major leaguer was finally hired, but only, I suspect, because sports and the performing arts are the last areas of American life in which demonstrated ability is the only test for hiring, firing, and promotion.

If he had been looking for a job as an English teacher, a demonstration of superior knowledge of and ability to impart that subject to the young would probably have gotten him nowhere without an education degree. The irrelevance of the education degree to actual teaching ability is suggested by the fact that the degree is not required by the best private schools. What they care about is that the teacher can teach. Neoliberals share this concern with actual performance because they want to encourage productivity and discourage the bureaucratization that credentialism fosters and that has become one of the most severe problems in our government and in our large corporations.

The search for credentials is also undermining our economic prosperity. During the past academic year, 127,530 men and women were enrolled in law schools. These are among our ablest young people. If they had chosen productive work, they would have been on the cutting edge of the economic recovery we so desperately need. Instead, they spent the year sitting in some library, trying to focus their eyeballs on *Corpus Juris*. We have 15 times more lawyers per capita than Japan. Japan, with a population half our own, produces twice as many engineers a year.

"Anthropologists of the next century," Michael Kinsley has observed, "will look back in amazement at an arrangement whereby the most ambitious and brightest members of each generation were siphoned off the productive work force, trained to think like a lawyer, and put to work chasing one another around in circles."

Seniority is another enemy of the performance standard. Take the way the government has been carrying out its RIFs (reductions in force). People are being fired, not for lack of ability but for lack of seniority. Someone who has been around a long time can "bump" a younger employee even when the junior official is much more talented and dedicated.

This indifference to performance is not some abstract problem of public administration. It is central to the declining efficiency of both American industry and government. It even affects everyday life. If you doubt me and happen to live in Washington, just remember the next time your bus breaks down and you're sweltering in the heat that Metrobus is forbidden to consider actual job performance in promoting its mechanics.

The Reagan administration, to its great credit, is trying to do something about this, trying in the words of one official "to make job performance

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the center of the federal personnel system." Neoliberals will support this effort. We are generally against Reagan's policies but not automatically so. Lincoln explained our reasoning in his speech in Peoria:

"Some men, mostly Whigs, who condemn the repeal of the Missouri Compromise, nevertheless hesitate to go for its restoration, lest they be thrown in company with the abolitionist. Will they allow me as an old Whig to tell them good-humoredly, that I think this is very silly? Stand with anybody that stands RIGHT. Stand with him while he is right and PART with him when he goes wrong. To desert such ground, because of any company, is to be less than a Whig—less than a man—less than an American."

A Revival of Politics

Snobbery, like the credentialism to which it is related, is another neoliberal target. The snobbery that is most damaging to liberalism is the liberal intellectuals' contempt for religious, patriotic, and family values. Instead of scorning people who value family, country, and religion, neoliberals believe in reaching out to them to make clear that our programs are rooted in the same values.

Take school prayer. While I easily can see how the custom of my youth, requiring children to recite the Lord's Prayer at the beginning of school, was offensive to nonbelievers, I also can see no reason to oppose a few minutes of silent meditation. During such a period those who want to pray can pray, and those who don't want to pray can think about baseball (which I often managed to do while reciting the Lord's Prayer), or anything else sectarian or nonsectarian they want to think about. If the teacher tries to make them pray, fire him. But there is absolutely nothing wrong—indeed there is great good—in asking young people to think quietly for a few moments about the meaning of it all. Yet many liberals see the prayer issue as one of the seminal battles of the enlightenment against the "hicks."

It is this contempt for the "hicks" that is the least appealing trait of the liberal intellectuals. Many of them, we have seen, don't really believe in democracy. Neoliberals do—we think a lot of those hicks are Huck Finns, with the common sense and good will to make the right choices if they are well informed.

Informing them properly means giving them a better education in politics and government, not just in the schools, but through the press. This in turn requires better teachers and reporters than we have now, teachers and reporters who know the history of the American political system and the lessons of its successes and failures—subjects largely ignored in our teachers colleges and journalism schools. Even in our most elite universities, few courses are organized in a way that permits the student to ponder, for example, the contrast between the Bay of Pigs and the Cuban missile crisis.

Since experience is the best teacher of all, if we truly are going to reform the American system of government, we need to give more Americans experience in government. We need more politics, not less—more good people running for office. Unfortunately, the worst form of snobbery in America today is the smug assumption that politics and politicians are inherently bad.

If you think for a moment about the kind of choices we've had in recent elections, you'll realize why we must have a lot more good people pursuing political careers. This in turn means offering enough opportunities to attract people to a life in politics. Today a person who starts out in politics

Today everyone is imitating the National Rifle Association. That's the way to have a successful lobby. It's also the way to ruin America.

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Instead of scorning people who value family, country, and religion, neoliberals believe in reaching out to them.

has a tiny field of opportunity in the federal government—congressman, senator, president, and just 2,000 appointive positions.

What if we opened hundreds of thousands of federal jobs to political appointees, replacing through normal attrition roughly half the federal government's 2.8 million civilian employees? Give the new people two-and-a-half year appointments, with a limit of five years on the time they would be permitted to remain in government.

This would bring people with real-world experience into government, attract more risk-takers not obsessed with job security and provide a legitimate reward for political participation. If we don't want a system that runs on money, then we have to offer something else. What is better to offer to the people who push the doorbells and hand out the leaflets than the opportunity to participate in putting into effect the programs they have campaigned for? Their reward would be legitimate because the unqualified would not profit from it. Your sister Susie who can't type 50 words a minute would not be allowed to get that government typing job no matter how hard she worked in your campaign.

Because the jobs would be limited to a few years, we also would be constantly sending back into the ranks of the voting public people who have learned firsthand why Washington doesn't work and who have nothing to lose from speaking out about the reforms that are needed.

My God, you say, what if Reagan could begin making these appointments now? The answer is that you could vote him out next year and elect a president who would have both the right program and the power to put it into effect. And you would realize that accountable government won't work unless you are an acountable voter, so you would never again cast your vote carelessly or simply fail to go to the polls altogether.

There is no question, however, that restoring power to our elected officials does mean we have to watch them more carefully. That's why we need intelligent and diligent reporting, and that's why I would keep roughly half of government positions in the civil service. That leaves someone there to blow the whistle when the politicians go wrong, as sometimes they are bound to do. Civil servants would also provide continuity and institutional memory that would otherwise be lacking. But surely 50 percent can do that and still leave the other jobs to provide incentives for people to participate in politics and a dramatic increase in the number of people who understand the government.

If this approach had been in effect for even a decade, we would have a nation far better equipped to appraise the budget cuts that are said to be needed, who would have the sophistication to know exactly where to find them. We would have people in government who, because they'd spent most of their lives on the outside, would have genuine empathy for the problems of those on the outside. The lack of such empathy has been the most glaring deficiency of the bureaucracy in Washington.

What is the evidence that a system of democratic accountability would work better than the unaccountable civil service we have now? Those who were alive in the 1930s will remember that the post office delivered your packages intact and your letters on time, twice a day in fact. That postal system was political. If your mail didn't come on time you could complain to your congressman, and he would arrange for a new postmaster if he wanted to be reelected. The postal system became progressively less political in subsequent years and became completely nonpolitical in 1968. What has happened to your mail? What happens when you complain now? You probably don't even bother, which is why the present bureaucracy is so discouraging to democracy—the citizen who speaks up knows he is wasting his time. He calls Federal Express instead.

One problem of the new liberal is the way he is misunderstood by the old liberals. I am sure that most of them have read what I have written here as advocating a return to the days of the Vietnam

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draft, robber barons, Tammany patronage, and coerced prayer. I have, of course, advocated none of those things. In each case I have said something different, and it is important that the old liberals attend to the difference.

At the same time, the new liberal must be willing to risk misunderstanding. Risk is indeed the essence of the movement—the risk of the person who has the different idea in industry or in government. That is why we place such a high value on the entrepreneur. The economic, social, and political revitalization we seek is going to come only through a dramatic increase in the number of people willing to put themselves on the line, to take a chance at losing all, at looking ridiculous.

Risk-taking is important not only in career terms but in the way one looks at the world and the possibilities it presents. If you see only a narrow range of choices, if you are a prisoner of conventional, respectable thinking, you are unlikely to find new ways out of our problems. Neoliberals look at the possibilities with a wide-angle lens. For example, some of us, who are on the whole internationalists and free-traders, are willing to consider such bizarre ideas as getting out of NATO, forgetting about the Persian Gulf, and embargoing Japanese cars.

One problem we're trying to address with such suggestions is that American industry's ability to compete has been seriously impaired by the amount of money we have spent in the common defense compared to our competition and that we must find some dramatic way to redress the balance.

But if neoliberals were to support an embargo on Japanese cars, it would be only for the time necessary to get the auto industry back on its feet and it would be conditioned on the willingness of management to cut prices to competitive levels and of labor to accept the wage reductions necessary to make the price cuts possible. Neither would agree to such steps now, but the fact that they are more open to such ideas than they were just a few years ago is one of the signs I see of a national movement toward neoliberalism.

You can find these signs in the fields of national defense, income security, and criminal justice as well in changing attitudes toward labor and management.

In the case of labor, the most heartening evidence has to be Weirton Steel, where the workers accepted a 32 percent wage cut to keep their company alive. They will not be suckers because they will own the plant and share in the future profits their sacrifice makes possible. It's better for a worker to keep a job by accepting $12 an hour than to lose it by insisting on $19. We specifically reject the Atari Democrat label, because we think such wage adjustments could mean our economic future lies just as much in revitalized basic industries as in high technology. The People Express Airlines model provides another hopeful sign. All the employees own stock, they are not bound by union restrictions on what they can and can't do and can pitch in wherever needed, and the result is the company is prospering in an industry that otherwise isn't.

People Express is also an example of neoliberal ideas in management. Its founder, Donald Burr, risked his entire savings on the enterprise. Hierarchy and bureaucracy are not favored; entrepreneurial, creative behavior and democratic organization are. And Burr extols the crucial importance of "making everything the common concern of all."

Other signs of neoliberal infiltration into management thinking are the growing contempt for merger-mania and its practitioners like William Agee; the rise to the top of the best-seller list of *In Search of Excellence*, a book excerpted here in December that describes successful companies as those that encourage innovation, risk-taking, and experimentation rather than constant study, traditional chains of command, and playing it safe; the widespread acceptance of the Robert Hayes-William Abernathy indictment of the hired-gun MBA and his focus on short-term results that bring luster to his resume and disaster to his company; and the increasing attention given to Robert Reich's emphasis on expanding the economic pie as against merely rearranging its slices. When Reich was published here, he was reaching 35,000 subscribers. But now his work appears in *The Atlantic*, where it reaches ten times that audience.

Other positions taken in the past by *The Washington Monthly* are now becoming respectable wisdom. One is that liberals should not content themselves with merrily opposing increases in defense spending but should find out on what weapons money is being wasted and on what weapons more should be spent. In other words, identify both the turkeys and today's equivalents of Britain's Spitfire in World War II, the weapons that we need to survive. Another is that the insanity defense is itself insane and that violent criminals, sane or insane, should be locked up on the basis of the danger they pose to society.

When we first planted our flags on these positions and looked around for the army we hoped was following, the field behind us was, if not totally empty, certainly not at all crowded. Now almost every day's paper brings a new evaluation

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of a weapons system. And both the American Psychiatric Association and the American Bar Association are attacking the insanity defense.

On the income-security issue, the neoliberal approach has won small but significant victories as taxes were enacted in 1979 and this year on unemployment compensation and Social Security income above certain levels. These are steps toward the means test we advocate for all income maintenance programs. Our opposition comes from two sources. One is the Brookings Institution-type liberal who sees only incremental reform as realistic and therefore refuses to take radical solutions seriously. Then there are the old liberals who see a means test as hurting the feelings of the recipient. This could be called the Don't Embarrass Little Orphan Annie principle. The recipient is always seen as some pathetic child who would be humiliated to have to hold up his hand and say, "Teacher, my Mother and Daddy can't afford to pay for my lunch so can I please have one of those free school lunches for poor people?"

Neoliberals don't want children to endure such an experience either, and we oppose programs that require them to do so. But, by the time someone is an adult, shouldn't he be able to face reality, and say, I need help because I'm poor? Is not facing reality at the very heart of adult responsibility?

So we've traveled some of the way along the path. And that's good. But, frankly, I doubt if we'll make it the rest of the way without a rebirth of patriotism, a rebirth of devotion to the interests of the national community, of the conviction that we're all in this together and that therefore fair play and justice for everyone is the vital concern for us all. Robert McElvaine captured the model that should guide us in *Down and Out: Letters From the Forgotten Man in the Great Depression:*

"In letters that 'ordinary' Americans wrote during the 1930s, the overwhelming emphasis was upon themes of fairness and the necessity of justice. 'We are Poor People,' a group of Maryland WPA workers wrote to President Franklin D. Roosevelt in 1936, 'but we are human. We wish to be treated that way.' They went on to say, 'We feel you'll give us justice.' Similar sentiments were echoed in thousands of Depression-era letters. 'I knows and think that you feels our care and means right,' an anonymous correspondent wrote to F.D.R. in 1935, 'and you will do what is right if you knows the suffering of the people.' . . .

"The evidence that the major—although certainly not the exclusive—thrust of the current generation is toward extreme egotistical individualism is abundant. But the shift in values is not absolute. In all eras—and in most individuals—selfishness and compassion coexist. It is the mix of the two that varies. There is a tendency for the former to be more prevalent among the affluent, particularly if they are still on the rise or their positions are threatened. . .

"Seen in this light, the basic difference between the dominant values of the 1930s and the 1980s is that much of the middle class in the earlier period identified with the poor, whereas the bulk of Middle America now aspires to become like the rich. The Joads of *The Grapes of Wrath* sought survival and a decent life; the Joneses seek not merely to keep up with each other, but to emulate the Rockefellers to whatever extent possible."

During World War II, FDR proposed a $25,000 limit on all salaries. He saw the danger that people would lose the idealism of the struggle against depression and tyranny and become preoccupied with personal gain, that they would begin to forget about the national interest in pursuit of their own.

FDR may have been wrong in thinking people didn't have the right to get rich, but he was sublimely right in understanding that they shouldn't forget their nation and their fellow man in the process.

The title of *You Can't Take It With You*, the recently revived thirties comedy by Moss Hart and George S. Kaufman suggests another value underlying the $25,000 limit. The play is about the Sycamores and their household, a group of people who have risked making fools of themselves in the eyes of the respectable world, symbolized by the rich Kirbys, in order, in the director's words, "to fulfill their dreams as opposed to being in the rat race of keeping up with the Joneses and putting money as a symbol for success above everything else."

The Sycamores are, to say the least, a remarkably diverse group, but they all show great tolerance and good humor in dealing with one another. They don't pull up their ladder, they extend it to the world—finally even to the Kirbys, who need it spiritually, if not financially.

In many ways life was much tougher in the thirties than it is today, but there was, incredibly enough, a lot more sunshine in the soul and a lot more laughter in the land. That spirit is the heart of neoliberalism. Without it, we will never overcome the politics of self-righteous, self-pitying interest groups. With it, we can begin to listen to one another, rebuild community, and take the risks that can produce the just and prosperous democratic society we all want. ■

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MEMO OF THE MONTH

UNITED STATES POST OFFICE
LANSING, MI 48924

DATE: January 31, 1983
P.O.CL:

OUR REF: RJM:psk

SUBJECT: Michigan State Income Tax Forms

TO: All Associate Office Postmasters
Lansing MSC

The attached letter from Mr. John M. Horne, Michigan District Manager, is self-explanatory.

If you received Michigan State Income Tax Forms for distribution via your lobby, that did not bear postage, please advise immediately the number of cartons received.

All State Income Tax Forms received by any means other than the U. S. Mails must be withdrawn from the lobby and held until proper postage has been collected and you are notified.

You will be advised when the forms may again be distributed through your lobby facilities for those holding State Tax Forms not delivered by the Postal Service.

Roy J. Murray
MSC Manager/Postmaster

Attachment

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BUDDY, CAN YOU SPARE A COUPLE OF BILLION?

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SOLDIERS OF GOOD FORTUNE

by Phil Keisling

With Republicans and Democrats alike clamoring for cuts in the defense budget, this January Ronald Reagan did what any seasoned bureaucratic in-fighter would have done: he offered up a sure-fire loser. More specifically, the president proposed to freeze military pay for fiscal year 1984. Even before the freeze had been publicly proposed, the Air Force chief of staff, General Charles A. Gabriel, momentarily put all discretion aside and admitted to reporters that the Joint Chiefs of Staff hadn't even been consulted on the matter. If they had been, Gabriel added, he would have voted to cut weapons instead. Caspar Weinberger quickly let it be known where his sympathies lay, and they weren't exactly with his commander-in-chief. He told *First Monday* magazine, "This is a presidential decision; it isn't mine and it isn't the Joint Chiefs', and it isn't anyone else's."

Expressions of disapproval from Capitol Hill were conspicuously bipartisan; conservatives like John Tower and military reformers like Gary Hart and Carl Levin all found common ground in denouncing the idea. *The Washington Post* assailed the freeze because it would undermine "truly critical needs" for manpower, particularly sailors; the *Chicago Tribune* called it "impractical and imprudent." The *Army Times* was even blunter: The freeze was "morally bankrupt." Former Defense Secretary Melvin Laird declared that the freeze would eventually "empty the ranks of talented people and cripple our defense efforts."

Final action is still months away, but so far Congress seems to know a juggernaut when it sees one. This March the House approved a budget resolution for FY '84. It includes a 4 percent across-the-board pay hike, not only for military personnel, but for all civil servants as well.

If you've followed the debate on the military pay freeze, you probably have some vivid images of what supposedly will happen if Reagan gets his way. Recruiters will be forced to comb the streets of America's major cities, hustling teenagers who can barely write, much less operate a sophisticated laser-guided, radar-enhanced missile. Soldiers with critical skills will leave en masse for more lucrative civilian jobs; those that remain will complain bitterly of the extra money they could make on the outside. Meanwhile, ships will be kept in port for the lack of seaworthy crews, planes will be grounded because there aren't enough

Phil Keisling is an editor of The Washington Monthly.

Illustration by Robert Soule

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If Congress approves Reagon's call for a military pay freeze, guess how many soldiers will still receive a raise next year. Give up? Try about 70 percent.

pilots to fly them, and tanks will sit idle because there aren't enough mechanics to repair them.

It's certainly true that the military at times has been forced to accept too many soldiers who abused drugs or didn't have the aptitude to safely handle hand grenades, not to mention high-tech weapons. But despite these problems, the All-Volunteer Force, with 2.1 million members now on active duty, has never fallen more than a few thousand short of its annual recruiting goals. Those looking for a more realistic picture of today's military would do best to listen to what Pentagon officials themselves say when they're not up on Capitol Hill trotting out all their personnel problems in the hope of finding a sympathetic ear—and a few billion extra dollars. Weinberger recently took a field tour and came back practically gushing. "We've had reports from three of our commanders. . . saying, in all cases, that they are finding morale at the highest rate that they've seen in their entire years of service," he told reporters. That's not faint praise—one of those Weinberger referred to, Marine Commandant Robert H. Barrow, entered the service in 1941.

Better still, consider the testimony of recruiters like Army Sergeant First Class Joe W. Jenkins, who's based in Youngstown, Ohio. Jenkins recently told *The Wall Street Journal* that he had no trouble making his quota of 95 regular enlistees and 41 reservists. In fact, he could have recruited "over 700 men and women" if there'd been room. "I think America is becoming more security conscious," he said, referring not to Soviet-American tensions but to the desire for a guaranteed income. "What could be more secure than federal service?"

Lest one think such success stories are unique to the recession-racked industrial heartland, last fiscal year the Army, Air Force, Navy, and Marines met most of their recruiting quotas in just six months. More significantly, all four services reported substantial increases in the quality of their recruits, as measured by the percentage of high school graduates and those scoring in categories I-IIIA on the Armed Forces Qualifying Test, the military's version of the SAT. For the Army, long cursed with the lowest quality of recruits, the improvement was nothing short of dramatic: 86 percent of its 1982 enlistees had high school diplomas and 60 percent scored in categories I-IIIA. On average, that's *better* than the recruits it would have obtained from a universal draft.

As for the droves of dissatisfied workers, most are trying to get *into* a uniform, not out of one. This is true even in the areas that require skills for which the military traditionally has complained of shortages. Mechanics are now in ample supply, as are many varieties of technicians. And of the more than 5,000 commercial airline pilots on "indefinite furlough" because of the chaos in the deregulated airline industry, about 1,500 have expressed an interest in returning to the Air Force. Suddenly in the position of the jinxed suitor being begged for a second proposal, the Air Force is playing somewhat hard to get; so far it's readmitted about 800.

Then there's the matter of retention. Last year 68 percent of all eligible soldiers reenlisted, the highest rate in a decade. The percentage of career enlisted men in the force, 46 percent, is a post-World War II high. Even the Army is having the kind of "retention problems" it used to dream about. "The challenge faced in the Active Army [last fiscal year] was to constrain the reenlistment of soldiers who wanted to reenlist but lacked the potential for further service as noncommissioned officers," Lt. General Maxwell R. Thurman told the House Armed Services Committee this March. "About 5,000 soldiers were denied reenlistment through policy changes that raised standards."

Raised standards? That's right. What's more, even after *that*, the Army says it had 7,000 more soldiers than it had room for. So many soldiers want to transfer to "shortage skills" that the Army doesn't have the ability to train them fast enough. As an Army spokesman admits, "Right now, we're in a buyer's market."

Don't be mistaken—the good news doesn't justify complacency. A sudden economic revival could certainly hurt recruiting and retention.

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Shortages also still persist in some highly technical skills such as nuclear engineering and computer repair. (Ironically, the main cause of these shortages, according to Assistant Secretary of Defense Lawrence Korb, is the increased demand for those skills in the private sector as a result of the "defense build-up in the procurement area".) However, more than $1 billion in "selective reenlistment bonuses" of up to $20,000 each is available this year to attract and retain people in these specialties, bonuses that a pay freeze wouldn't affect.

So what accounts for all the gloomy warnings about plummeting readiness and mass defections if a pay freeze is instituted this year? The main reason is that many of the nation's congressmen and editorial writers have a host of misconceptions about modern military life—misconceptions that the Pentagon is more than happy to encourage.

Perhaps the most basic misconception involves the pay freeze itself. Guess how many soldiers will make more money next year *even if* a freeze were instituted. Give up? Try about 70 percent.

In a given year, almost half the active-duty force receives a promotion and a corresponding salary increase. A private first class in the Army (or a seaman in the Navy) now receives Basic Military Compensation of $12,480 a year. This includes his pay and the value of tax-free allowances for food, quarters, and clothing. Upon promotion to corporal (petty officer third class), which typically occurs after just one year, that soldier will get a 9 percent raise to $13,510. An officer who goes from first lieutenant (lieutenant jg.) to captain (lieutenant) can expect a 13 percent raise. His basic military compensation will go from $27,685 to $31,174—not bad for someone who's typically 27 years old upon promotion.

As for those who don't get promoted, half of them will also get raises. These increases, known as "fogeys," are based on longevity and are similar to step increases in the civil service. A sergeant first class (chief petty officer), for example, automatically gets a 3 percent raise every other year. A colonel (captain) gets a raise of 5 to 6 percent every other year, except at his 16th year, when he receives a hefty 14 percent increase. Those promoted the same year they become eligible for a fogey get two raises that year; an across-the-board pay increase gives them three.

Only those who aren't promoted and are ineligible for a fogey will be affected by a freeze in the pay schedule. And a closer look at their compensation suggests most will get by just fine.

Consider a lieutenant colonel (commander), of which the military has more than 32,000. Assuming he has 16 years' experience, his basic compensation amounts to $46,191 a year. Ample as that may seem, the most important thing about this figure is what it *doesn't* include. Start with his Variable Housing Allowance (an extra $2,000 if he lives in the Washington, D.C., area). Then there's free health care for him and his dependents, and a retirement plan, paid for in full by the government, that allows him to retire after just 20 years with half-pay. (A lieutenant colonel who retires after 20 years will draw a pension, indexed annually for inflation, for another 28 years. In the private sector, covering the costs of such a pension would require a company to set aside $14,000 for each year of service.) Nor does this figure include savings of 25 percent from shopping at one of the military's 240 commissaries, which are subsidized to the tune of $500 million a year. Nor does it include any of the 46 varieties of special pay given for such tasks as flying, sea-duty, traveling between posts, or serving overseas. A recent GAO study found that 50 percent of all Navy officers and 40 percent of all Air Force officers receive special pay in excess of $3,600 a year; those who don't frequently enjoy rent-free government housing.

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As laid-off airline pilots clamor to enlist, the military pays $5,000 bonuses to keep existing pilots from leaving.

All things considered, that 38-year-old officer has a disposable income greater than that of a United States congressman, not to mention the highest-paid civil servants. By the time he reaches colonel, his take-home pay likely will exceed that of the secretary of defense.

RIVERS OF PLENTY

The nation's 300,000 officers certainly could live with a pay freeze, especially since no one has ever claimed they're in short supply. (The Air Force has gotten so choosy it accepted no new officers last year who didn't hold a baccalaureate degree.) But what of the enlisted men? For senior noncommissioned officers, particularly those in the Navy who spend an average of seven years of their career at sea, compensation is hardly overgenerous. Indeed, a master sergeant (chief petty officer) with 20 years' experience makes less than a captain four years out of ROTC. But as the recruiting success of the last year graphically demonstrates, the military's pay is enticing enough to new recruits. A typical 19-year-old private first class whose food and quarters are provided free still receives a cash salary of $668 a month. And even many careerists are making substantially more in uniform than they could in civilian life. A Brookings Institution study by Martin Binkin and Irene Kyriakopoulos shows that for a master sergeant whose job is clerical—and 25 percent of them fall into this category—the compensation will be 10 to 45 percent greater than that of his civil service counterpart.

The latter point illustrates perhaps the most persistent myth about the military personnel system: that of "pay comparability." Whenever the threat of a pay freeze is raised, Pentagon officials and congressmen alike issue dire warnings that military personnel will "fall behind" those in civilian life.

The general notion that military personnel should get the same compensation as their civilian counterparts is perfectly reasonable; it also happens to be totally irrelevant to any discussion of comparability. The military has never devised a system that compares civilian and military pay for the same job, for two reasons. The first is that many jobs simply aren't comparable; what's the civilian equivalent of an artillery gunman? But some jobs are comparable, and herein lies the second reason: true adherence to the comparability principle would require that hundreds of thousands of soldiers receive huge pay *cuts*.

To understand this, it's important to see how "comparability" became such a shibboleth in the first place. In 1962 Congress decreed that civil servants should receive wages "comparable" to their counterparts outside of government. Something known as the Professional, Administrative, Technical, and Clerical Workers survey was accordingly devised to link GS-scale pay to private-sector compensation. (The extent to which PATC itself seriously inflates federal pay should be well-known to *Washington Monthly* readers; the survey includes only those highly paid workers employed by corporations of more than 250 employees, thereby excluding 97 percent of all civilian workers, and it fails to take into account the federal government's more generous retirement plan, vastly greater job security, and the GS system's widespread grade inflation.) In 1967 an amendment by Representative Mendel Rivers decreed that the principle of "comparability" be extended to all military personnel. But the Rivers amendment made no pretense of comparing military and civilian jobs, as PATC does. Rather, it declared that all future *raises* for civil servants be equally applied to military personnel.

Because of statistical quirks and extraordinary pay hikes totaling 25 percent in 1980 and 1981, those in uniform have enjoyed substantially larger raises since 1967 than civil servants. During this period, compensation for both career officers and enlisted men has tripled, making the military one of the few professions in American life that has beat inflation. And how were members of the military doing *before* they jumped on the comparability escalator? The Gates Commission, which in 1970 proposed the All-Volunteer Force, looked into that question and discovered something seldom mentioned today in discussing comparability: military compensation for enlisted

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men with more than five years' experience, and officers with more than four, already exceeded private-sector compensation for civilians of identical age and slightly more education.

Recent experience also belies the military's argument that pay is lagging. The General Accounting Office followed up on 1,300 enlisted men in nine skill areas who had left the Navy since 1979 for civilian employment. Those who left after late 1981 were making an average of $3,500 less in civilian life than they had been in uniform. Highly skilled workers eligible for reenlistment bonuses were making an average of $2,500 less; among sailors formerly doing clerical work, the difference was $7,000. Even after adjusting for a somewhat longer work week, the military's advantage remains.

SURREAL SHORTAGES

None of this is to begrudge soldiers decent pay, or to suggest that we can afford to be complacent about attracting and keeping good men and women in uniform. Most important, one must appreciate why soldiers often bristle at the suggestion that their compensation may be a bit generous. Military life can be difficult, particularly for those with families, and members of the military are keenly aware of the contempt that was held for them in the wake of the Vietnam war. Especially among career personnel, the hurt they feel because of such prejudice often breaks through their otherwise stoic demeanors.

Nonetheless, the stigma of military service has faded appreciably in recent years. His blank-check attitude toward the Pentagon notwithstanding, Reagan is happily right that Americans are again "proud to wear this country's uniform." But it is just such welcome news that makes it an especially good time to ask some difficult questions about our military personnel policies. If extra pay was once necessary to coax people into uniform, why is it necessary today? If the military has no difficulty attracting new recruits and officers, why does it insist on across-the-board increases for everyone? If senior noncommissioned officers are much harder to retain than officers, why do the former get much smaller longevity raises than the latter? If critical shortages exist in certain skills, why do we allow—actually, encourage—people with those skills to retire when they're at the peak of their proficiencies? If we have too many sergeants performing administrative work and too few of them repairing sophisticated electronic equipment, why do we pay each the same monthly wage?

These aren't questions many are comfortable in asking. Senators and congressmen, well aware of the voting strength of the nation's 4.5 million active, reserve, and retired military personnel, generally prefer to criticize weapons boondoggles, particularly if they're built in another state or district. The uncritical opposition to a military pay freeze is also intimately connected to the influence of other powerful lobbies. Explaining why so many Democrats oppose the freeze, one congressional staffer explains, "There's really no way to freeze military pay while giving civil servants a raise—so they tend to do both."

Unfortunately, Pentagon extravagance and inefficiency are hardly confined to sophisticated weapons systems. More specifically, many of the personnel problems that Pentagon officials continually lament, particularly the "shortage" of skilled personnel, are the result of the military's own policies—or figments of its imagination.

Take the "petty officer shortage" often cited by the Navy in budget hearings and a longstanding favorite of editorial writers describing the military's manpower problems. This spring the Navy told Congress it was 18,000 petty officers short.

Have petty officers started deserting the Navy in record numbers for the comforts of civilian life? Are important duty posts going unmanned while Soviet submarines slip undetected into Boston harbor? Not at all. Retention is higher than ever, and the Navy is fully manned. The "shortage" exists because the Navy, in an internal planning document known as the "Enlisted Program Authorization," contends that 67 percent of its enlisted men need to be petty officers. But in the budget review process, the Office of the Secretary of Defense has approved a mix of which only 64 percent are petty officers. Apply that percentage to the Navy's enlisted force, and voila—no more shortage.

In other words, someone is manning the duty post—it's just that he or she isn't always of the high rank that the Navy would prefer. In the last decade, the Navy has increased its goal for petty officers at least three times, in effect creating a new shortage just as it solves the old one. Not that the Navy has ever been that worried about its shortfalls. Last year it told the Military Manpower Task Force that it was "confident" it could meet the challenge of a national emergency despite its lack of petty officers. It proposed to do so by "reassigning petty officers [now] assigned to shore duty" and calling on the Naval Reserve—which is exactly what you'd expect in a war.

Where legitimate shortages do exist, the military has an uncanny knack for spending money to solve them long after they've disappeared. The

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best example of this is a program called Aviation Career Incentive Pay, more commonly known as "flight pay." Almost 100,000 officers and enlisted men receive flight pay, at an annual cost of over $300 million. Pilots of jets and helicopters are treated the same; flight pay is allotted according to seniority and tops out at almost $5,000 a year extra for an aviator with six or more years of flight duty.

During World War II, flight pay was given for the quite logical reason that flying was an especially hazardous duty. In the peacetime military, most flying is as safe as driving a convoy truck on a major highway. So flight pay is now justified as a way to encourage pilots to remain in the military. That made some sense during the 1970s, when many pilots had the bad manners to complete their $1 million government training program and then leave at the first opportunity for a lucrative career in the commercial airline industry. Though that drain of talent has now dramatically reversed, flight pay continues.

Most military aviators now have the best of both worlds: a salary they can't duplicate in civilian life and a bonus on top of that for doing what they love to do. As one Army major observes, "I can maybe see some flight pay for those guys in the Navy trying to land at night on the deck of an aircraft carrier that's bobbing around in high seas. But helicopter pilots that fly from base to base—the guys I know would work for half of what they're getting. It's one of the best jobs in the Army."

The military claims it still has pilot shortages, but its numerical analysis on this score bears a striking resemblance to the Navy's mathematics with petty officers. The Air Force sets its pilot requirement at about 20,000—even though it has just 7,000 planes. That means most aviators drawing flight pay are spending almost all their time behind desks, flying just enough each month to maintain their "ready" status. In any national emergency, the problem wouldn't be too few pilots—it would be too few planes.

SELF-INFLICTED WOUNDS

The failure to match compensation with need is endemic to the military pay system, which adheres to a principle of compensating people according to their rank, not their actual job. As a result, a sergeant first class in a highly critical skill gets less than a master sergeant who's a file clerk, a job in chronic oversupply.

The military justifies this approach as necessary to preserve morale; in terms of an oft-used metaphor, it does not want two soldiers of equal rank to end up in a foxhole together and in a quiet moment start comparing their pay scales. Yet even if this were a valid concern, the argument is disingenuous; the military's selective reenlistment bonus already recognizes—though to a meager extent—that some sergeants are worth more than others.

The bonus system is a step in the right direction, but it has two major flaws. The first is that it makes distinctions that bear little relationship to actual military requirements. For example, signal security specialists in the Army with six to ten years' experience get reenlistment bonuses of $12,600; those with more experience are evidently a glut on the market, because they get no bonus. It's different with IBM 360 repairmen; the Army offers a $10,000 bonus to those with more than ten years' experience, but not to those with less.

The most perverse aspect of the bonus system is how it is used to correct problems that the military creates in the first place. The best example of this is the practice of early retirement. More than 40,000 soldiers retired last year, about two-thirds of them enlisted men leaving after just 20 years, at an average age of 41.

Much has been written about the generosity of this system, by which the government pays more to a soldier in retirement than it did while he was on active duty. But a far greater cost of the system is that it directly contributes to the shortage of skilled enlisted personnel that Pentagon officials so often lament. Today, when an electronics specialist at the height of his abilities reaches retirement age, he is offered no reenlistment bonus to stay on. He might not even be asked by his commanding officer to stay on a year or two more. Instead, it is simply assumed that he will retire—thereby creating another slot that must be filled. Paying hefty bonuses and across-the-board pay hikes while early retirement continues is like trying to fill a bathtub with the drain wide open.

The military justifies early retirement in the name of maintaining the "youth and vigor" of the force. But youth and vigor is far less important than it was several decades ago—witness the military's own preoccupation with skill and experience. A 1975 GAO study is also instructive: it found that retired enlisted men spent more than 90 percent of their careers in noncombat duty while officers spent more than 65 percent of theirs.

The services adamantly defend early retirement as a promise that not only must be kept, but also one that is necessary to attract and keep qualified people in uniform. Yet by law, every early retirement is at the discretion of the secretary of defense. So long has the privilege gone unchallenged that it's now considered an inviolable right.

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THE AFFORDABLE ARMY

In the absence of outside pressure, there are strong institutional reasons for the military doing little to make its pay and personnel policies more rational. One of the major reasons is intimately tied to the military's system of reward and punishment. The military in general, and the officer corps most particularly, adheres to the "up or out" principle. Promotion from one rank to the next is based on performance, with each step progressively more difficult. While promotion from captain to major is almost assured, the chances a colonel will make general are less than one in ten. Unlike the civil service system, where the failure to be promoted has few, if any, consequences, most who stop rising are forced or eased out.

There are exceptions, but most of those who reach the top of the pyramid do so on the basis of performance—which is why the military's top managers are considered by Washington insiders to be generally better than their civil service counterparts. Indeed, this emphasis on performance makes the military's overly generous retirement system somewhat more justifiable than the

MANAGERS IN KHAKI

No one can dispute that military life has its special rigors, perhaps best illustrated by submarine crew members, who spend many months at a time separated from their families. But in many respects, military life is increasingly emulating civilian life. Forty years ago, 72 percent of the military's work was classified as blue collar; today, nearly half is classified as white collar. The Army, for example, breaks its tasks into 339 specialties; while "infantryman" is still the single largest, among the top ten are "administrative specialist," "personnel specialist," "unit supply specialist," and "food service specialist." The new Army is increasingly moving indoors and sitting behind desks—and looking after other soldiers. An extensive survey by the RAND Corporation in 1979 disclosed that 30 percent of all enlisted men in the Army, Navy, and Air Force described their work as "largely supervisory," which helps explain how 15 percent of soldiers manage to hold second jobs in their off-duty hours.

The managerial ethos is most pronounced among officers. According to figures compiled by the Project on Military Procurement, in 1945 there was one officer per 12 enlisted men; one admiral for 130 ships; and one Air Force general for 244 planes. Today, the figures are one officer per eight enlisted men; one admiral for every two ships; and one Air Force general for 24 planes.

During the Vietnam war, the costs of such officer inflation were tragically high. Former Army officers Richard A. Gabriel and Paul L. Savage documented in *Crisis in Command* that, as the number of officers ballooned to 15 percent of the force (compared to 7 percent for the American army in World War II and less than 3 percent of the German army), combat command slots were rotated every six months so officers could "punch their tickets." But with so much turnover, the cohesive bonds between enlisted men and their leaders disintegrated—as did the effectiveness of the entire army.

The debilitating effects of such inflation in peacetime are more subtle. The real cost lies not in having to pay a few extra generals but in having to pay the entourage of "middle-level managers" that must accompany them. The four-star general needs at least a two-star general under him, who in turn demands a colonel, who in turn requires a lieutenant colonel or two. Accordingly, the heaviest inflation of the officer corps has occurred in the numbers of majors, lieutenant colonels, and colonels (lieutenant commanders, commanders, and captains in the Navy). They now number more than 95,000, compared to 150,000 at the end of World War II, when the force was six times bigger.

Because positions with real responsibility are limited, one of the biggest challenges in the modern military is to keep its brass occupied. Frequent changes of station are common, as are periodic forays into academia. For example, 42 percent of the Air Force's officers have post-graduate degrees earned while in the service. And as Tom Lawson of the Project on Military Procurement observes, "It's not unusual to see a colonel recently back from commanding an air squadron flipping view charts while his general testifies before some congressional committee."

What is occurring in the military should be familiar to anyone who's studied government agencies, particularly new ones. Initially, a full eight- or even ten-hour workday is common. When new responsibility forces the hours up to ten or 12 hours, an executive assistant is hired. The manager's workday is reduced to less than eight hours, and he finds himself free for much longer lunches. Meetings begin to proliferate and substitute for work. If a new responsibility suddenly arises, the organization will not ask the manager to return to his old level of work; it will probably promote him and give his executive assistant an assistant. And if the work suddenly diminishes, the organizational chart stays the same.

The phenomenon applies to both officers and enlisted men. One sergeant describes how many of his colleagues once spent up to two hours each day filling out a "manning report" by hand. "Now, there are computers and it only takes ten minutes," he says. The number of sergeants the Army claims it needs to meet its readiness goals has not, of course, changed as a result.

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retirement system for the civil service, where the approach is not "up or out" but "up or stay where you are as long as you like." Given a system in which only a handful of people "succeed," the military's early retirement is viewed as a consolation prize to those whose careers stall out.

As for military compensation, more than a desire for the good life leads officers to gladly accept constant pay hikes in the name of increasing the quality of soldiers. Besides, a battalion filled with intelligent, experienced troops is of great comfort to the colonel who is trying to impress his superiors at inspection time. It's also natural in any organization to want as much quality as possible. "I call it the ham-and-cheese sandwich syndrome," says one former Air Force officer. "You may not need a college graduate to run out and get your sandwich, but you'd prefer it because there's less chance he'll get your order fouled up."

An analogy with high-tech weapons is useful here. By now it's clear that many new weapons aren't worth the billions they devour, because they either don't work under battlefield conditions or offer only a marginal advantage over more reliable (not to mention cheaper) weapons. The quest for that extra increment of quality has spawned an almost mindless preference for anything that's laser-guided, or avionics-enhanced, and in the process technology has become a substitute for what really wins wars: officers who can lead troops, soldiers who want and are able to fight, and strategies that make the most of their talents.

So it is with personnel policies. As paradoxical as it sounds, the pursuit of quality and experience in soldiers also has limits. Money spent on high salaries in the pursuit of unnecessary experience or quality is money that can't be used for the spare parts, ammunition, and new weapons that even military critics agree we need. Just as congressmen and senators should try to weigh the real cost of "better weapons," they must weigh the costs of attracting and keeping "better soldiers."

But as the opposition to the pay freeze graphically illustrates, this isn't happening. The Pentagon continues to raise its experience goals; for example, unscrutinized by either Congress or the GAO, the Army has decided the new M-1 tank requires it to increase its "leader-to-led" ratio substantially. What's more, over the next decade, the natural recruiting pool of 18-year-old males will drop nearly 20 percent, making it more difficult to sustain current quality levels even if the economy remains in the doldrums. On top of that, Reagan wants to increase the size of the active-duty force by more than 150,000.

One can easily predict the result. Pentagon officials, now enjoying a taste of recruits who are demonstrably superior to their predecessors, will be doubly reluctant to lower standards. Pleas will be made for additional pay increases far higher than the inflation rate. Trends towards a more "experienced" force will continue, inevitably resulting in more "paper shortages" that will reinforce the call for more compensation.

As long as the nation insists on an all-volunteer army that allows those of the middle and upper classes to escape service, it must pay enough to attract good recruits. This does not mean it must continue to lavish billions on needless across-the-board increases while a few necessary skills are still in short supply. What's needed is a system that's flexible. Pilots should be paid bonuses when they are scarce—but not when they're in ample supply. It should be recognized that some services don't need to pay as much for good recruits as others. Those in oversubscribed skills should have their pay frozen, or even cut, with savings going to larger bonuses to those with scarce skills or to other military needs. The retirement system should be gradually reformed to increase the retention of necessary, skilled personnel.

An even better system would be based on a fair, universal draft that would rely on conscripts for those military jobs that require little specialized training. The military will never be so sophisticated that its basic tasks—from infantryman to sailor to file clerk—can't be adequately mastered in a short time by most conscripts. These draftees would be paid only a fraction of what current enlistees receive, and the money saved used to attract highly skilled people and to coax the best draftees into a military career.

This approach would have a more important result: making the military more representative of American society. This would be true not only of conscripts, but of the career force as well. Today, those disinclined to serve—particularly members of the middle and upper classes—are never even exposed to military life. If they were, a good number would realize they like it and decide to stay.

Those seeking a final reason to abolish the All-Volunteer Force need only contemplate our having to fight a full-scale war. Military officials favor retaining current pay scales, noting the inequity of reducing a soldier's pay before sending him into battle. Yet the national mobilization during World War II put 12 million Americans in uniform; at today's compensation rates, such a force would cost $250 billion. That figure—which includes nothing for ammunition, weapons, and other necessary supplies—far exceeds the entire military budget for any year in American history. ■

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TIDBITS AND OUTRAGES

ANOTHER HOLE IN THE SAFETY NET

When the Maryland legislature recently threatened to take away the Burning Tree Club's tax exemption on the grounds that it excludes women, the country club's vice president protested that this "might force us into the position of being a rich man's club." The club's present initiation fee is $12,000 and annual dues are $1,700.

VAGABOND CHIC

Daniel Hechter's new fall collection, presented at the Club des Createurs in Paris a few weeks ago, is called "Pity the Poor" and features refurbished army jackets.

NOT TO MENTION THE PAIN AND SUFFERING OF HAVING SAND KICKED IN YOUR FACE

A bodybuilder in Florida was awarded $210,000 in damages after a motorcycle accident in which a jury found him 40 percent at fault. "Look at the size of those muscles," argued his attorney, comparing photographs of his client at the peak of his form to his now-average physique. "He's 100 percent disabled."

REAGANOMICS MEETS THE UPPER EAST SIDE

"Only the best. That's what I believe in. That's why the Viscaya is built the way it is. That's why I choose to drive a Rolls Royce. And that's why, during the next thirty days, any buyer of any of the remaining Viscaya condominia residences ***will automatically become the owner of a new 1983 Rolls Royce Silver Spirit,*** to go along with my 'only the best' philosophy. (If you already own a Rolls, as you may well do, we can discuss alternative options.)

Now, a few words about the Viscaya and its award-winning design. For some New York residents, 'only the best' means living in a Manhattan Townhouse. An important part of the Viscaya provides superb Townhouse living with the unique added luxury of complete condominium services, a rare combination. For those to whom 'only the best' in Manhattan living means spectacular views and the ultimate in modernity, the Viscaya Tower offers a unique opportunity: unexcelled contemporary design plus spectacular multiple Manhattan views. And, for both Townhouse and Tower residents, a spacious double roof-garden. (You may find it hard to run off to the Hamptons or Marbella on a weekend.) Full security services and 24-hour concierge, of course.

To see 'only the best'— and to choose the color of your Rolls, call for an appointment. Due to the unprecedented nature of this offer, visits to the Viscaya and to the model Tower apartment can *only be arranged by appointment.* Prices for Viscaya apartments continue to be from $582,500 to $1,235,000. The Viscaya is on 71st Street, just East of Park. 110 East 71st Street. And the phone number is (212) 734-7025. Call, and I'll try to arrange to see you personally."

(C) NONE OF THE ABOVE

The following headlines appeared over the same story in separate editions of The Washington Post*:*

Post

Index

Amusements	D21	Food	E1
Classified	C18	Metro	B1
Comics	Weekly	Obituaries	B14
Editorials	A22	Sports	C1
Federal Diary	B2	Style	D1
Financial	C9	Television	D18

Inside The Weekly

25¢

Fed Plans to Ease Monetary Policy, Urges Deficit Cuts

By Caroline Atkinson
Washington Post Staff Writer

Federal Reserve Chairman Paul A. Volcker told Congress yesterday that monetary policy will be slightly easier this year but warned of a future collision between the economic recovery and fiscal policy unless drastic cuts are made in the budget deficit

economic recovery promised by President Reagan. But the president also says he supports the Fed's overall policy of slowing money growth and that this will help to slow inflation and boost the economy.

However, some economists believe that the administration's growth forecasts for 1983 and later years are inconsistent with tighter money pol-

Post

FINAL

Amusements	D21	Food	E1
Classified	C18	Metro	B1
Comics	Weekly	Obituaries	B14
Editorials	A22	Sports	C1
Federal Diary	B2	Style	D1
Financial	C9	Television	D18

Inside The Weekly

25¢

Federal Reserve Sees Continued Restraint On Supply of Money

By Caroline Atkinson
Washington Post Staff Writer

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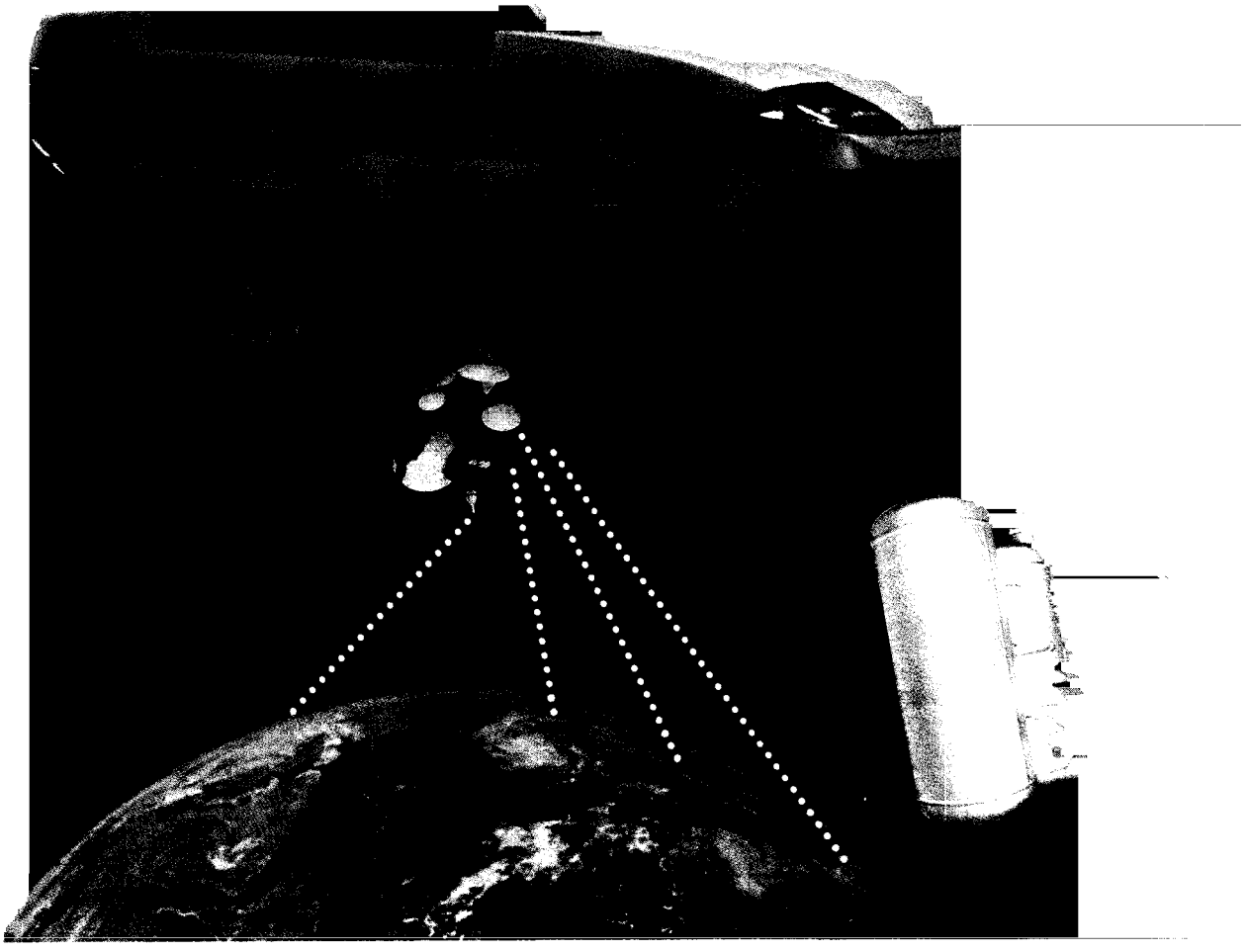

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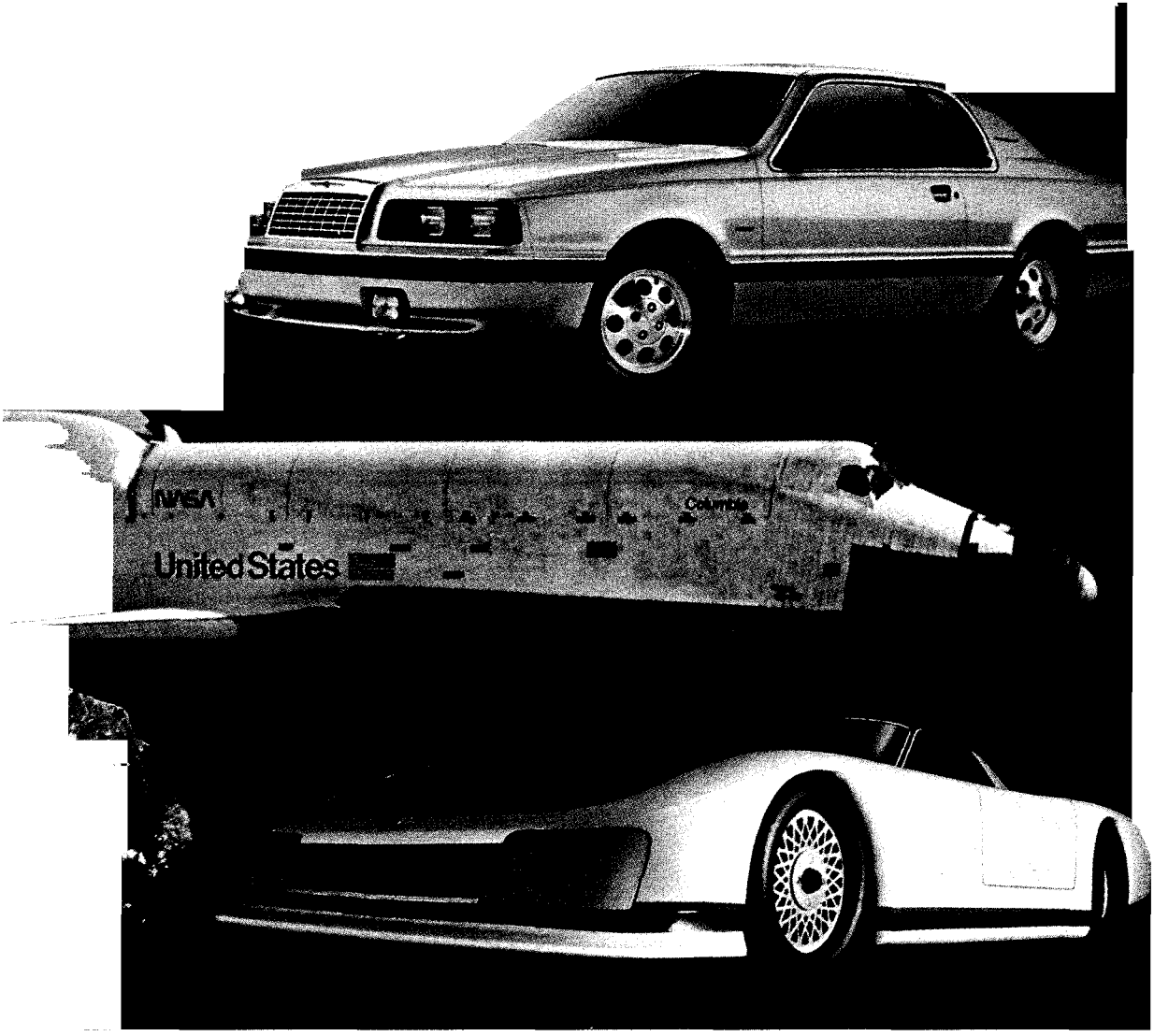

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Ford

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There's A Ford In America's Future

Lowest Common Deno

Why The Banks Fought Withholding

by Bill Keller

"The paid advertisements and circulars financed by the savings and loan associations. . . by banks and others, have led many people to believe, one, that this is a new tax or a tax increase; two, that it will take money unjustly from honest taxpayers; three, that it will create a mountain of red tape costing more than it will bring in; and four, that it will harm the elderly, the widows and orphans and others with low incomes.

"Not a single one of these charges is true."

Sound all too familiar? It should, if you've been following the congressional donnybrook over the campaign to repeal bank withholding on interest payments, scheduled to go into effect in July. But the speaker here isn't Ronald Reagan, Bob Dole, or *The Washington Post*—it's President Kennedy, and the year was 1962.

Kennedy figured the best way to catch those who don't pay taxes on their interest and dividends was to let the banks and brokers collect a portion of the taxes up front, just as taxes are withheld from wages. The bankers beat Kennedy, and he wasn't the last president to meet his match. When Carter proposed interest withholding in 1979, the House's verdict was 401 to 4. And despite Reagan's past support, Congress now seems likely to delay withholding if not repeal it altogether.

Congresses have repulsed the idea of withholding for a variety of reasons, but mainly because they did not feel the urgency to collect a few extra billion dollars nearly as much as they felt the formidable lobbying power of the banks and other depository institutions. Bankers make extraordinarily good lobbyists, and not just because the American Bankers Association has one of the largest PACs and generously dispenses pocket money to lawmakers who address its conventions. Long before political action committees were invented, individual bankers were dependable campaign donors; they were also especially helpful to have on one's side if a loan was needed to finance that last-minute ad blitz.

But the influence of bankers rests on more than their usefulness at campaign time. Banking is a reputable business, its practitioners often pillars

Bill Keller is a reporter for the Washington bureau of the Dallas Times Herald.

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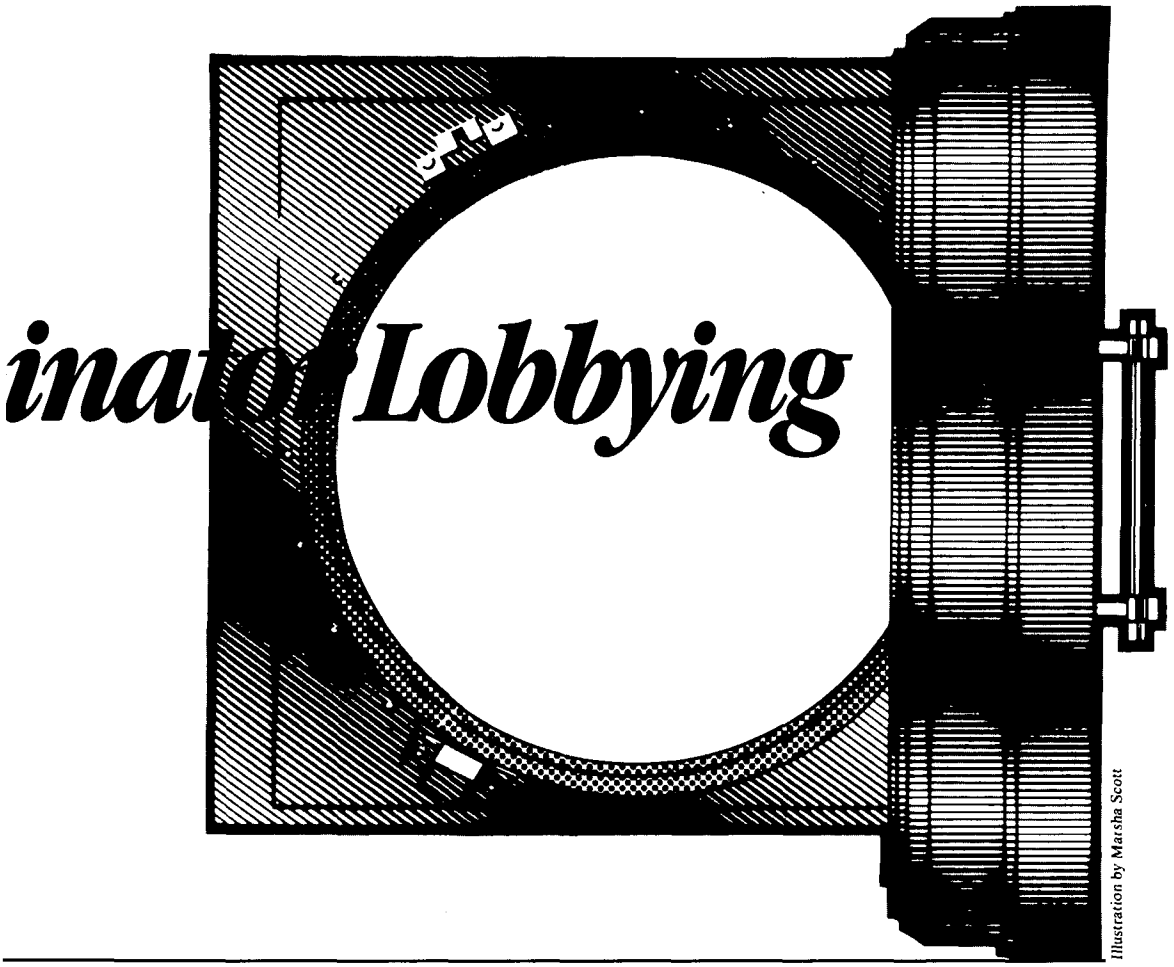

Illustration by Marsha Scott

of the communities whose mortgages they hold. Even in this age of conflict-consciousness, nobody seems to mind that 167 members of Congress have investments in financial institutions and 37 are officers or directors of banks or savings and loans.

Bankers are solid citizens. Given their stature and their past success with Congress, bankers seemed to have little cause for alarm in early 1982 when President Reagan, in a list of suggested "revenue enhancements," proposed withholding 10 percent of interest payments at the source. No one expected Reagan would pursue the idea with any zeal; he had, after all, run on a platform that said withholding would "literally rob the saver." Sure enough, in May Treasury Secretary Donald Regan intimated that the president had lost his enthusiasm for the measure. Bankers turned their attention to more urgent affairs—the bill that ultimately allowed them to offer those new money market accounts.

Then in July Senate Finance Committee Chairman Bob Dole, scrounging desperately for revenues to counter an embarrassing deficit, resurrected withholding. Before the bankers could muster a serious protest, Dole had twisted a few arms on the committee, winning by a single vote. Neatly wrapped in a larger package of tax legislation, withholding cleared Congress and was delivered to the White House in a spirit of bipartisan good cheer.

Now withholding is back before Congress, accompanied by the fevered rhetoric usually reserved for issues of social justice, war, and peace. Members of Congress are laying on extra staff to answer millions of form letters sent in by angry depositors. Reagan and Dole are retaliating with jeremiads that could have been written by the late congressional bank-baiter, Wright Patman. Withholding has swept issues of greater consequence to the sidelines, and impeded legislation to help the jobless and rescue the Social Security system.

Even Bob Dole could not have anticipated that his sneak attack on the bankers would provoke the political equivalent of the firebombing of Dresden. But Dole failed to reckon with the nature of that ubiquitous Washington institution, the trade association.

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Meet Me In The Lobby

You might have trouble discerning it from the bankers' feverish propaganda or from the indignant editorials written in opposition, but the withholding issue is not a grave moral dilemma. It is a question of the best way to do something everyone agrees ought to be done: catch some of the $7.5 billion a year in taxes that now go unpaid on interest and dividends.

In the bankers' view, deputizing the banks to collect taxes is not the most efficient way to get those who fail to render unto the IRS. They argue that it would be easier and probably cheaper for the IRS itself to track down the miscreants. The government already receives interest records from banks, mostly on computer tape; this information can be matched against individual income tax returns. Withholding, the bankers add, with a great show of populist concern, would be a nuisance for the 85 percent of taxpayers who voluntarily pay their full share.

The IRS counters that more than 90 percent of interest reports already are cross-checked with tax returns. It is actually collecting the unpaid taxes, without violating the niceties of legal process, that is expensive—more expensive, the IRS says, than letting the banks skim 10 percent at the source. Advocates of withholding use the language of fair play ("Why should the coupon-clippers get off scot-free while Joe Lunchbucket gets docked out of every paycheck?") but the underlying argument is that it is more convenient to let the banks do it.

While banks are generally unanimous in their distaste for withholding, it is not—though few will admit it—a matter of life or death for them. The ABA's own estimate, from a Peat, Marwick, Mitchel and Co. survey, is that adjusting to withholding will cost every financial institution $200,000 to $400,000. The Treasury Department is skeptical, as well it should be. At least two companies specializing in bank computer software, Pacesetter Systems of Dallas and DISC Inc. of Baltimore are now peddling programs for under $40,000 that they say will handle the most onerous burden of withholding—deducting from individual deposits and certificates. Even allowing for the cost of installing the new programs, it is hard to disagree with Albert Harris of DISC that "the numbers the banks are quoting are outrageous."

A few bankers are willing to agree. Mack Miner, director of marketing for Texas's largest bank, InterFirst, says his institution's cost of programming its computers for withholding came to $187,000, which he described as "miniscule." "I'd like to tell the ABA I spent $3 million doing this, but it's not true. I spent less than 30 cents an account."

If you're worried about the mom-and-pop banker slaving away over pencil and pad, relax. The majority of institutions that are not automated already hire big banks to do their data processing for them. What's more, much of the cost of this commuter exercise would be recovered by a "float" which lets the banks use the money for 30 days before passing it to the government. The rest will be written off as a business expense, or passed along to customers. In their spare time, banks have been lobbying for both a longer float and more generous writeoffs to ease the burden of withholding if it is not repealed.

Given all this, when 10,000 bankers gathered in Atlanta last fall for the annual ABA convention, there was a lot to be said for graciously accepting defeat. The deficits that led to passage of the tax-increase package were, if anything, growing worse. The Reagan administration, having converted to the withholding gospel, was holding firm. As always, getting Congress to change something it has done is exponentially more difficult than preventing it from doing it in the first place. Besides, the banks could use all the good will they could get from the likes of Reagan and Dole in lobbying Congress on issues of far greater importance. Alone at his desk, the banker might have shrugged unhappily and set about the business of making withholding as painless as possible for his customers.

In Atlanta, acquiescence was never on the agenda.

A Runaway Interest Group

Trade associations like the American Bankers Association operate under different imperatives from the typical corporate lobbyist or hired gun. As engines of collective influence, they have a need to involve their members and justify the dues they charge. There is nothing like a good muscle-flexing to build esprit de corps.

As alliances of competing, disparate businessmen, associations must carefully seek out issues that will offend few of their members. In practice, that usually means listening most attentively to their relatively unsophisticated and least public-spirited members. The result is that trade associations often find their common interest in

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the lowest common denominator of their memberships.

Let's say Congress is proposing to make auto dealers disclose the defects in the used cars they peddle. The car dealer who prides himself on playing straight with his customers is unlikely to be inconvenienced. The car dealer who is less conscientious will raise hell—and the National Automobile Dealers Association will end up speaking for the entire industry with the voice of its weakest members. Pick any recent crusade by a major trade association—the American Medical Association's lobbying against regulation of unfair practices by doctors, or various industrial campaigns against the Clean Air Act—and chances are you will find the Law of the Lowest Common Denominator at work.

So it is with the American Bankers Association. The ABA is the major bank lobby, embracing almost all of the nation's 14,000 banks. But it is not the only bank lobby. It competes for the affection of bankers with several other groups, most notably the Independent Bankers of America, which represents the smaller banks. In the past year or so, many small banks have been miffed that the ABA has not protected them from aggressive S&Ls and voracious big banks. Withholding loomed as a good opportunity to prove the ABA still cared about the little guy.

Any segment of the banking community can cite an issue of graver significance than withholding—for international bankers, getting bailed out of their bad overseas loans; for big bank holding companies, winning new freedom to compete with the securities industry; for small banks, fending off the prospering financial supermarkets. But those more important issues are also more divisive. Although withholding may not be the most important issue for bankers, it has the virtue of being one of the rare issues that most banks can agree on.

While it's true that some large banks—Bank of America, Citicorp—have sat out the lobbying campaign on withholding, they are not about to register their dissent in public. That, too, is part of the trade association spirit. "With hindsight, perhaps we could have said last September, 'This is a stupid idea that will cause you lots of grief,'" says a lobbyist for a major bank. "But we're not going to be a public renegade. That's a lot to ask—a handful of banks to buck the industry. You just make enemies." Bankers do business with other bankers and don't want to be antagonistic. Besides, it is the nature of large groups to change course slowly, like a nuclear carrier at sea. Bankers have

A CONFERENCE ON NEOLIBERALISM

The Washington Monthly will sponsor a conference the weekend of October 22 to discuss the nature of neoliberalism and its future. The conference will be chaired by Charles Peters, editor of The Washington Monthly, and will include journalists, academics, political leaders, and others involved in or interested in the movement.

The conference will be held in Leesburg, Virginia, near Dulles Airport and approximately an hour's drive from Washington. There will be a reception Friday night the 21st and a full day of meetings the 22nd, followed by a breakfast meeting the 23rd. The full cost will be $250 for both nights, $150 for one night, and $50 for those who attend only during the day Saturday.

NEOLIBERAL CONFERENCE
2712 Ontario Road, N.W.
Washington, D.C. 20009

Please reserve _____ places for me at the Conference on Neoliberalism.

I will arrive on the ☐ 21st ☐ 22nd and will stay _____ nights.

Enclosed is a deposit of $25 per reservation. (Make check payable to The Washington Monthly.)

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always gone against withholding. Just because automation has improved since 1962 is no reason to give up now.

Focus Pocus

As soon as withholding had slipped past their defenses, most bankers knew they would go for repeal. (They have been joined in this effort by associations of savings and loans, but the ABA has been the most prolific, and the most publicly reviled, participant.) Winning repeal, they knew, would call for something more than the usual drop-ins at the district offices of friendly congressmen.

So the bankers hired the Chicago ad agency, Leo Burnett Company, to test the waters. On October 5 Burnett convinced 16 middle-class Chicagoans to drop by after work for an opinion-probing exercise. The men and women were split into two "focus groups" and paid $20 apiece. They were not told who was sponsoring the event. ABA officials watched through a one-way mirror while the groups were led into conversation. After some preliminaries, they were read a straightforward statement about the new withholding law and asked "how does it make you feel?"

According to ABA spokesman Fritz Elmendorf, one of the hidden spectators, the bankers learned several things from this experience. One was that the test groups, when informed of the new law, tended to blame the *banks* for it. The prospect of this "customer relations problem" reinforced the bankers' decision to fight for repeal, Elmendorf said. "The banks had to somehow deflect this potential volcano of problems with the customers back to the Congress."

The bankers also learned there was a deep, exploitable sense of resentment—about taxes generally, about the notion that the government didn't trust them to pay on their own, about the government's "invading" their private savings. By the end of each session, the groups were offering unsolicited advice to their anonymous sponsor about how to conduct a lobbying campaign for repeal of the withholding law.

Elmendorf sent me tapes of the two sessions, and they verified his descriptions. It was a little eerie to listen in as these folks, at the end of the discussion, reviewed possible advertising copy and suggested ways it could be edited, the better to whip up a public frenzy ("Those two paragraphs *have* to be rewritten. . . ").

But I noticed something else about the discussion. The resentment of the withholding law seemed genuine enough, but it was neither spontaneous nor analytical. The groups were warmed up with a little discussion of "government regulation and the effect it has on your life." Sure enough, they didn't like it, and hit with what was news for most of them—that more regulation was coming down the pike—they responded with visceral anger.

The withholding debate illustrates how trade associations often champion the concerns of their least public-spirited members in a blatantly manipulative way.

Occasionally the conversations lapsed into reasonableness. At one point, members of the first group were asked to sum up their feelings about withholding. Actually, said the first guy, withholding is a fairly convenient way to pay taxes. Right, the second agreed, I'd only spend it anyway. Okay, said the third—but they really should withhold once a year (regulations permit banks to do that). Then the fourth person started wailing about her "lack of choice" in the matter, and the chorus was back in high dudgeon.

The tape disclosed reflexes, not opinions. That, in fact, is what "focus groups" are for, not to gauge opinion but to measure marketing potential. Not to discern the type of toothpaste people want, but to discover the proper advertising hook that will sell them yours.

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THE $10,000 1983 EUGENE C. PULLIAM FELLOWSHIP EDITORIAL WRITING AWARD

The Sigma Delta Chi Foundation is pleased to announce the 1983 Pulliam Fellowship, which honors an editorial writer by helping to broaden journalistic horizons and knowledge of the world.

The $10,000 award will be used by the recipient to study in a field of interest, to travel either in the United States or abroad, or both. The Fellowship is designed to increase the writer's understanding so that he or she might better serve the reading public.

To qualify for the Fellowship, applicants must have at least five years of full-time editorial writing experience.

Each applicant must submit: 1) A personal biography; 2) A summary of professional experience; 3) 10 samples of editorials or editorial series; 4) Your plans for using the award; 5) A letter of endorsement from your employer.

Send your application to: Pulliam Fellowship, Sigma Delta Chi Foundation, 840 N. Lake Shore Drive, Suite 801, Chicago, IL 60611. Deadline for entries is August 1, 1983.

The Fellowship honors the memory of Eugene C. Pulliam (1889-1975), who was publisher of The Arizona Republic, The Phoenix Gazette, The Indianapolis Star, The Indianapolis News, The Muncie Star, The Muncie Press and The Vincennes Sun-Commercial. He was also founder of Sigma Delta Chi in 1909.

The award is made possible through a grant from Mrs. Eugene C. Pulliam.

SIGMA DELTA CHI FOUNDATION

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"Perhaps we could have said last September, 'This is a stupid idea,' " explains one bank lobbyist. "But we're not going to be a public renegade."

Leo Burnett, in its report to the ABA, concluded that "if financial institutions want to enlist the help of the public, they will have to make it very easy for people to participate. At this point, this law may not be seen by the public as enough of a threat or enough of an issue to generate sufficient spontaneous and independent protest."

Finding The G-Spot

In their focus groups, the bankers found what is known in the opinion business as a "hot button," a place to touch on the public consciousness that will produce an emotional uprising.

Lobbying has increasingly become a game of finding this political equivalent of the G-spot. Constant pressure on the old-folks-in-need button very nearly prevented resolution of the Social Security crisis. Careful fingering of the shifty-Japanese button has led to a popular groundswell for trade protectionism. President Reagan, performing at the teleprompter, is the E. Power Biggs of hot-button politics.

For the bankers, those group discussions in Chicago provided the blueprint for a whole keyboard of hot buttons. By November the *Bankers News Weekly* was offering ABA members complimentary kits, wrapped in plastic, with all the tools to tickle the public glands. The kits contained posters for bank vestibules ("CONGRESS WANTS A PIECE OF YOUR SAVINGS. WHAT THEY NEED IS A PIECE OF YOUR MIND"), sample press releases ("[name], [title], of [name of bank], told the [name of organization] that the new withholding provision is a "consumer volcano that's about to erupt"), sample speeches ("Literally, the government will be picking the taxpayers' pockets. . . "), advertisements, sample letters to congressmen ("As a senior citizen . . . I think this is an invasion of my privacy!"), letters to the editor from bankers and consumers, and a prefab op-ed piece ("This should be retyped on your bank's letterhead and sent with a personal note to your newspaper's editor"). An enclosed order blank allowed bankers to send away for zillions of preprinted, preaddressed postcards for depositors to send their members of Congress.

The association got requests for nearly 15,000 kits. More than half the commercial banks in the country have participated. "We've just never had anything this popular," said Elmendorf.

As you can imagine, this has played hell with the sacroiliacs of Capitol Hill postal clerks. Senate offices have been receiving from 150,000 to 300,000 letters, mailgrams, and postcards apiece. Dole alone has brought on 13 new employees to write back. While it is not really true, as the cynics lament, that Congress weighs its mail rather than reading it, when the mailbags are blocking the hallway to the restroom it tends to interrupt a congressman's train of thought.

Most members of Congress now are specialists. Of the hundreds of votes they cast each year, only a handful fall within their area of specialization. On the rest, they are content if they know just enough to have a pat explanation for their vote in case someone asks. Most issues are pretty close calls, anyway.

The object of contemporary lobbying therefore is rarely to provoke a lawmaker to thought. It is, first, to raise the profile of an issue above the pack, and second, to make clear which side will be demanding plausible explanations if the vote is cast against it.

The influence of the mail in such a case is pretty obvious. What senator wants to tell 250,000 constituents they are misinformed—even if they are? This helps explains why a majority of both the House and the Senate, including such strange bedfellows as Jesse Helms and Gary Hart, have avoided the possibility by cosponsoring bills to repeal withholding.

But for those on the other side, hot-button lobbying can produce hot-headed reactions. Bob Dole has heaped scorn on the bankers for a

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"shameless campaign of fear." When their repeal threatened to derail the jobs bill, Dole acidly allowed as how they could afford to wait. "Not a single banker showed up in the cheese line the last time they had one," he said. With a passion common among converts (in 1980 he cosponsored a resolution denouncing withholding), Dole has begun a rather thorough examination of how much the banks themselves pay in taxes. (Not a bad idea in itself.) In March, he suggested that one way to pump up the finances of the International Monetary Fund would be a "user tax" on U.S. banks.

President Reagan has called the bankers a "selfish special-interest group" and suggested they turn their attention to lowering interest rates. In the House, where bankers are trying to shortcut the tax-writing Ways and Means Committee, Chairman Dan Rostenkowski has signaled his displeasure. As *The Washington Post* editorialized in one of its passionate screeds against the repeal, "The banking industry has been going out of its way to give substance to every left-wing caricature of bankers put in print since the days of William Jennings Bryan. . . . Is there no one in the industry with enough wit to see what the banks are doing to themselves?"

Well, of course there is. And some of them have gone surreptitiously to Dole and Treasury Secretary Regan saying, "Our hands are clean." But the ABA has sized up the risks of backlash and decided they are minimal. The administrative committee of ABA's government relations council met in late March and groaned a bit about the harsh words from Dole and the president, but concluded that, even if the repeal effort loses, their customers would love them for it. At worst, they agreed, they have that "customer-relations problem" licked.

Maybe so, but I can't help recalling one other thing about those Chicago tapes. The resentment those 16 people felt toward the government was easily matched by their hostility toward big business. "Nothing is ever cut off the top," said one woman. Right, another agreed, because all the corporations have "nice writeoffs." Informed that withholding would create new paperwork for the banks, one man snapped, "Forget that. Who cares?"

Nobody asked them how *else* they might raise the few billion a year anticipated from withholding, but I suspect you would have gotten 16 solid votes for raising the taxes on banks.

Bob Dole, there's a button waiting to be pushed. ■

THE WASHINGTON MONTHLY

Journalism Award

for February 1983 is presented to

David Rogers
The Boston Globe

The honoraria that senators and representatives receive for speaking before special-interest groups is one of Washington's best-known forms of borderline bribery. In looking closely at more than a dozen senators who've received money for their words of wisdom, Rogers details how these public officials have returned the favor to groups from the American Banker's Association to the American Quarter Horse Association.

Len Lazarick
The Columbia (Maryland) Flier

Lazarick examines what most reporters overlook when reporting on the budget battles that occur each year in state capitals: how powerfully entrenched lobbies and bureaucracies make all but the most superficial cuts nearly impossible. Lazarick also performs a useful service by offering his own list of cuts, from reducing the excessive number of state holidays to eliminating the "public relations specialists" who lobby for their own agencies' budgets.

The Washington Monthly wishes to recognize the writers and publishers who share our purpose of trying to describe how the political system really works, to determine why it succeeds, and why it fails, and to suggest ways in which it might be improved.

The **Monthly Journalism Award** is presented each month to the best newspaper or magazine article (or series of articles) on our political system. Nominations from any newspaper or magazine in the country are welcome. The subject can be government in its federal, state, or municipal manifestation.

The award for articles published in April will be announced in the July issue. Nominations will close May 15. Nominations should be accompanied by two copies of the article or articles.

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Advise and Forget

BY JASON DEPARLE

Ronald Reagan's historic program of budget reductions was just getting under way in the spring of 1981 when a bothersome political flap arose. His proposal to halve the funding for both the National Endowment for the Arts and the National Endowment for the Humanities had sparked more protest than he anticipated. A former film star himself, the president found the arts embroilment a particular embarrassment. The embattled head of state clearly needed to act, and, though new to the art of presidential statecraft, he nevertheless proved his mettle. Reagan moved decisively to quell the controversy—he established a blue-ribbon task force.

To steer the course of America's cultural future, the president called on the man who parted the sea, Charlton Heston. Heston and the 32-member task force of patrons and performers faced a grand mission indeed. They were asked not only to examine funding questions, but to scrutinize the very relationship between the arts and the federal government itself. Toward that end, the commission hired a ten-member staff and kicked off a $130,000 summer. In one day alone, members were treated to an elegant luncheon, cocktails at the National Gallery, a Kennedy Center play, and a late-night dinner—all in the festive spirit of the Arts.

From the outset, Heston expressed doubts about the commission's usefulness. "If you get more than five people around a table it gets to be a meeting," he explained. "And about all you can conclude from one meeting is that it would be a good idea to have another." But Heston's desire to limit the group's gatherings left some commissioners disappointed. Actress Margo Albert was among them. She stressed the importance of having "more time to meet with each other, look into each other's eyes, and inform ourselves." So for a summer the commission continued to meet and look into each other's eyes—or into the eyes of substituting aides in the case of the busier members.

Six gatherings later the ritual reached fruition. At a White House luncheon hosted by the Reagans, the commission presented a report that acknowledged there is indeed a role for the government to play in supporting the arts. The president promised to read it. If, in fact, he did so, he would have learned that the task force "recognize[d] the local and international importance of the arts and the humanities." It even confessed that it "learned a vital truth—America's arts and humanities are vigorous in spirit." But Reagan would have found no mention of the endowments' budgets, which, of course, is what brought on the controversy and the commission in the first place.

That's because the task force chose to address what one staff member called the "broader picture." "Most of the members would have recommended higher funding than the president wanted, and when the president appoints you, you don't want to turn around and kick him in the butt," he explains. "Besides, it wasn't necessary to come up with any policy findings. The commission was supposed to act as a lightning rod."

Prestigious blue-ribbon commissions are by no means the only specie of government commission. The executive branch alone contains nearly 1,000 other commissions with 21,000 members scat-

Jason DeParle is a staff writer for The New Republic.

Illustration by La Mouche

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tered throughout 60 agencies and departments. There are separate advisory commissions on wild horses and tame horses; sand dunes and wetlands; potatoes and tomatoes. There are commissions on arms, legs, bladders, and breasts—not to mention commissions on ferrous ores and metals, nonferrous ores and metals, and the Umatilla National Forest. There is even an Advisory Committee to the U.S. National Section of the International Commission for the Conservation of Atlantic Tunas, separate and distinct from the Advisory Committee to the U.S. National Section of the Inter-American Tropical Tuna Commission. In 1975 HEW had three advisory commissions on contraception.

Advisory commissions can have their advantages. By bringing together the top minds in various fields, they promise to promulgate wise policies. Because most commission seats are filled with volunteers, the government gets a lot more for its money than it would by hiring consultants. And by supposedly throwing open the conference rooms of government to the average citizen, advisory committees pay homage to a long-standing democratic tradition.

Numerous advisory commissions through American history have made important contributions. America's winning battle against smallpox, for example, owes a considerable debt to the immunization advice provided by a commission at the National Center for Disease Control. President Truman's National Commission on Higher Education deserves much of the credit for legitimizing the idea that the federal government should help make higher education available to more people. Similarly, a Truman commission on foreign aid laid the ideological groundwork for later passage of the Marshall plan. Commissions have also proven useful in forging a consensus on controversial and divisive issues. President Reagan's Social Security panel, for example, didn't present any particularly novel notions for reforming the system but it was instrumental in devising a bipartisan plan to rescue Social Security from bankruptcy.

And then there are panels like the International Screw Threads Standards Commission. Long-time readers of this magazine may recall the story of this group, which was created during World War I to help ensure that the nuts and bolts used for our battle weaponry would fit each other. The commission would last "less than a year," proponents said, and would not cost the taxpayers "one red cent." Sixty-five years and several million dollars later, the commission is still hard at work, its members periodically flying to international conferences in Europe, presumably to help keep the world's markets safe for American screw manufacturers.

Advisory committees play key supporting roles in the Washington world of make believe, performing a bureaucratic shadow dance in which everyone looks busy but nothing much happens.

In the tradition of the International Screw Threads Commission, many advisory committees play key supporting roles in the Washington world of make-believe. They perform a bureaucratic shadow dance in which everyone looks busy, but nothing much happens. Some commissions, without a specific task, quickly evolve into forums for vapid generalities. Some commissions are ignored by the presidents who created them, and/or scorned by those that inherit them. Others quietly proliferate in a dimly lit corner of the bureaucracy, filing annual reports that no one reads.

Even the supposed benefits of commissions, on closer examinination, seem a mixed blessing. For example, while it's true that advisory committees are less expensive than consultants, their "free" advice has its costs. Last year per diem expenses for commission members, and salaries for the federal employees who "coordinate" the commissions' work, cost the government $80 million. The

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"democracy" argument also begs a second look. Commission members are often cut from the same cloth. Those ideally suited for the job include university presidents, former ambassadors, former ambassadors who are now university presidents, governors, former governors who are now university presidents, Wall Street bankers, and other kindred spirits—like Theodore Hesburgh, John Gardner, Milton Eisenhower, Tom Watson, John J. McCloy, any Rockefeller. The convergence of such concentrated eminence, plus the fact that commissions tend to draw on existing research rather than undertake fresh study, usually insures an incorrigibly centrist, and safe, report. And that quite often is the point. "You choose a commission member the same way you choose an airline pilot," explained one former Carter aide. "You want someone who has your safety and comfort in mind."

Out Of Commission

In practice, advisory commissions serve a variety of purposes, often the least of which is to give advice. Following are some descriptive terms for past and current advisory commissions not likely to be found in official press releases. Categories are by no means mutually exclusive:

The Lightning Rod

In the event of a great public tempest, these commissions absorb heat, while leaving the surrounding landscape uncharred. They allow the president to project an image of confident leadership, while avoiding hasty action—or any action at all. President Reagan's arts panel was clearly in this category. Often, however, the crisis precipitating the commission is more ominous than threatened cutbacks in arts funding. Lightning rod commissions have been spawned by such emergencies as urban riots and malfunctioning nuclear reactors. When a series of plane wrecks in 1952 left the public jittery, President Truman established an Airport Commission to soothe them. "It was a public relations deal," a staff member later explained. "Okay chum, we're going to do something about it."

While the defenders of procrastination argue that buying time allows a favorable political atmosphere to evolve, often the only thing that evolves is public apathy toward whatever sparked the commission in the first place. The best example dates back to 1967 when a controversy erupted over funding links between the CIA and the National Student Association. In response, President Johnson appointed the Committee to Study Means of Establishing a Public-Private Mechanism for Providing Funds for Overseas Activities. (Perhaps Johnson figured that the name alone would be sufficient to discourage continued public interest.) The outcry quickly faded, and the public lost interest. So did the committee. With the controversy off the front pages, it didn't even bother to complete its report.

The Celebrity Showcase

Commission enthusiasts often rebut charges of impotence by arguing that whether or not the commission's work translates directly into policy, it helps educate the public. All blue-ribbon commissions, then, are to some extent consciousness-raisers. But the public relations value of some commissions is greater than that of others. Physical fitness boards that trot out a gaggle of sports idols are notorious examples of the "No Work, All Photo Session" approach. But first place in this category goes to President Carter's energy panel. Apparently recognizing that the "moral equivalent of war" wasn't rallying the troops, Carter enlisted the likes of Mary Tyler Moore, Erma Bombeck, Burt Reynolds, and Cheryl Tiegs to help "encourage citizen participation in the national effort to achieve greater energy efficiency."

The Rubber Stamp

Rubber stamp commissions are created to provide an official rationale for something you plan on doing anyway. Examples abound, but President Kennedy's Advisory Panel on Federal Salary Systems provides a particularly transparent example. "The president intends to submit a proposal on federal pay to the Congress in January," explained the letter asking members to serve. "He feels the need, however, for your advice before firming up his proposal." With his proposal already drafted, what the president really felt the need for was a supportive commission to showcase before Congress. And that's what he got. A panel member later shared his impression: "Someone on the White House staff probably thought that such a group would look good and have legislative weight."

The Bureaucratic End-Run

This is a form of political pantomine akin to the Rubber Stamp, allowing an official with a preconceived plan to circumvent a dissenting bureaucracy. Several years ago, for example, an undersecretary of energy found himself at odds with his subordinates over support for gasohol programs. Claiming a need for additional expertise, he formed a gasohol study group. But other DOE

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officials say he stacked the deck. They seem to have a point; in his official correspondence, the undersecretary began referring to the results of the panel's study—which supported his position—long before it was completed. A DOE engineer explains that using a panel of "experts" to leapfrog the bureaucracy is a common tactic. "You have to be foolish to stand up to a panel of eight Ph.D.s," he said. "Bureaucratically you don't survive like that."

The Minority Appeaser

As the number of minorities seeking redress for historical injustices has grown, so has the number of commissions created to project an image of government concern. Thus there are special commissions to delve into the problems of blacks, Hispanics, Indians, and women. Native Hawaiians are the latest minority to arrive, commission-wise. The federal government established at least two commissions for native Hawaiians last year, one for education, and the other to "conduct a study of culture, needs, and concerns." Why two commissions? Perhaps so President Reagan could atone for past transgressions. One of his first moves in office was to abolish the native Hawaiian study commission established by President Carter, which he considered frivolous.

The Homage to Utopia

Every now and then a president decides that it would do the country good to convene a commission on something that everyone supports, like the International Year of the Child, for example, or peace. So when the United Nations dubbed 1965 "International Cooperation Year," President Johnson paid tribute by forming a White House conference. Unfortunately, as one observer noted, International Cooperation Year also happened to be "Escalation in Vietnam Year."

The Stillborn Commission

Congress, like the rest of the government, pretends it's taking decisive action by forming a commission, which it usually attaches to an executive agency and then just as often ignores. The rub is that the agencies don't always want them, or know what to do with them once they're chartered. So often they choose to do nothing.

When Congress established the National Council on Quality in Education in 1970, for example, it seemed to have high hopes indeed. It told the council to "advise. . . with respect to the [nation's] educational needs and goals," to "assess the programs of the educational agencies, institutions, and organizations," to "conduct objective

THANKS A LOT, GEORGE

Many date the origin of the advisory panel to the Whiskey Rebellion of 1794, claiming that the father of our country also fathered the presidential commission. To quell disgruntled Pennsylvania farmers protesting an excise tax on whiskey, President Washington sent an ad hoc group of representatives. Some purists argue that these men functioned as emissaries, rather than true advisers, but genuine commission or not, Washington's delegates set a long-standing precedent. They were ignored by the rebels and George had to send the militia in after all.

Perhaps because of this inauspicious debut, advisory commissions didn't begin to proliferate until after World War II. Then another problem arose, as many of them came to be dominated by industry representatives, who used them as private lobbies. Commissions met in secret and seldom kept minutes or issued reports. In the late 1960s, Senator Lee Metcalf saw his efforts to gain information on water pollution subverted by an advisory commission stacked with water polluters. An angry Metcalf began a drive for commission reform that culminated in the passage of the 1972 Federal Advisory Committee Act. The FACA calls for open meetings, "balanced" commissions, and yearly reports; it also calls for periodic review of whether the commission should remain or be abolished.

But in its efforts to control one bureaucratic culture, the act has spawned another. To ensure compliance with the FACA, each executive agency or department that uses advisory commissions must now employ committee management officers to oversee the advisers' activities. Advisers report periodically to the CMOs, who report to officials in the Office of Management and Budget and the General Services Administration, who in turn assemble a yearly report summarizing each commission's work. The president then sends the report to Congress, which presumably scrutinizes it to assess each panel's work. Last year the annual report took up 3,600 pages. —*J. D.*

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The election reform of the twentieth century?

APPROVAL VOTING

By Steven J. Brams, *New York University*
and Peter C. Fishburn, *Bell Laboratories*

APPROVAL VOTING proposes a compelling new way to elect 500,000 officials in public elections in the United States. Under this system voters may vote for, or approve of, as many candidates as they like in multicandidate elections. And it has many benefits. As Samuel Merrill in *The New York Times* describes it, "[Approval Voting] is at once simple to implement as a formal method of voting, yet remarkable in its capacity to overcome many of the shortcomings of the present system."

At this moment there are bills to enact approval voting in both the New York and Vermont state legislatures. This reform could be realized in time for the Presidential primaries.

Read APPROVAL VOTING now. With its striking analysis of the feasibility and ramifications of adopting this plan, this book is certain to spark a major debate on the reform of our election systems.

1983, 224 pp., Hardcover, approx. $19.95, 3-7643-3108-9
Softcover, approx. $9.95, 3-7643-3124-0

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evaluations," to "make recommendations," to "consult," and perform about 19 other vague duties as well in pursuit of better public schools. But HEW officials never bothered to set it up, claiming that they already had committees that could do all those things. The decline of America's public schools since 1970 suggests that in this case, one more commission certainly couldn't have hurt.

The Sacred Cow

While some commissions can't seem to get going, others just won't go away, like the 86-year-old Federal Board of Tea Experts. When an expanded world market at the end of the last century brought with it counterfeit tea, the board was established to sample imported loads. You'll no doubt be relieved to know that tea counterfeiting is now on the wane; however, the board remains. Periodically, it attracts the attention of politicians on an anti-government crusade. President Nixon went as far as to abolish it, until he was reminded that only Congress could do so. That's unlikely to happen as long as the board enjoys the support of the nation's major tea corporations. As commissions go, at least the tea tasters are cheap. Importers pick up most of the tab, and the board costs the government only about $6,000 a year.

By contrast, the Defense Department's National Board for the Promotion of Rifle Practice, another famous sacred cow, is an expensive proposition at almost $900,000 a year. Disappointed with American marksmanship while charging up San Juan Hill, Theodore Roosevelt created the board to distribute surplus weapons. The board's 19 full-time employees continue to distribute surplus guns, targets, and ammunition to groups of marksmen ten years old and up, readying them to "defend their country at a moment's notice." Throughout most of the board's existence, the National Rifle Association has enjoyed a monopoly in handing out the booty, a privilege not unrelated to its membership growth. And where there's the NRA, there's congressional support. When President Carter questioned the board's utility, 13 senators quickly dashed off a letter, acclaiming its contribution to the national defense. Carter backed off.

The Retread Commission

Commission watchers see lots of reruns. Similar panels, composed of similar members, often find themselves studying similar problems and proposing similar solutions. Just as often, they're similarly ignored. The idea of a negative income tax, for example, gained the support of separate

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presidential commissions in 1964, 1966, 1967, and 1968. It was still being applauded in task-force meetings when last heard from. Gun-control recommendations have followed the same pattern. The Katzenbach Commission called for gun control in 1967; the Kerner Commission in 1968; the Eisenhower Commission in 1969; the Brown Commission in 1970; and the Peterson Commission called for it in 1973.

But the epitome of the repeat performers is the riot commission. Since the turn of the century each series of major urban riots has been followed by a presidential commission, each concluding the same thing—that riots result from racism and poverty. All to no avail. Sociologist Kenneth Clark once called them "the same moving picture over and over again, the same analysis, the same recommendations, and the same inaction." As executive director of the National Commission on the Causes and Prevention of Violence (1968-69), Lloyd Cutler encountered similar sentiments. "One of the scholars we consulted when we were organizing our work suggested, and I think not entirely in jest, that we should have a task force on violence that results from the frustrations that build up in people who read these excellent commission reports and then find that none of the recommendations was carried out."

The Runaway Commission

Despite the best efforts of presidents and their staffs to coax from commissions the desired response, some panels refuse to be plied. Runaway commissions are often cited as proof of the independence of advisory boards; more likely they're evidence of miscalculations by the White House personnel office in selecting members. President Nixon seemed most plagued by embarrassments of this variety. Nixon inherited the most famous runaway in recent history, the Commission on Obscenity and Pornography, from President Johnson, who reluctantly created it at the insistence of Congress. In refusing to conclude that pornography was "harmful," the commission clearly was telling Nixon something he didn't want to hear. So he refused to listen. After three years of study and a $1.8 million investment, the pornography panel found itself publicly disavowed.

Two years later, Nixon was stung again by wayward advisers when his Commission on Marijuana and Drug Abuse recommended that pot be decriminalized. This time, however, Nixon was ready. In a ringing testimonial to the irrelevance of advisory commissions, he had declared long before the commission report was issued, "Even if the commission does recommend that it be legalized, I will not follow that recommendation." He didn't, however, revoke the commission's expense account.

The Pursuit Of Prestige

Given the frustrations of commission life, a final question comes to mind: Why does anyone bother to waste time serving on one? There are many explanations. Selfless patriotism and duty to country is one. Ego gratification is another. There's an obvious appeal to being singled out for advice and flown around the country on an expense account in order to give it. Presidential plaques (and maybe even a picture) are provocative conversation pieces, not to mention occasionally useful for filling an empty space on the wall.

For many members the real value of commissions has nothing to do with the work but with the credentials it gives them. The vast majority of commissions operate at the middle-level of executive bureaucracies. A seat on a review panel or government board offers a valuable professional boost by conferring prestige upon the member—not to mention great contacts. While the members of presidential commissions usually are already men and women of some eminence, they, too, still desire the added prestige of government service. That's why commission seats are so sought after—and why presidents consider them cheap currency in repaying campaign favors. "Commissions were serious business," a Carter aide recalls, "especially if you were from Minnesota or Georgia."

The advantages aren't confined to the members. Many an ambitious young aide views a commission billet as a ticket to bigger things, and rightly so. What better way to meet the powerful and influential and perhaps have a chance for leisurely chat about one's future over a sumptuous buffet in the midst of a fact-finding tour? After working on President Carter's Commission on Immigration and Refugee Policy, for example, two staff members found much sought-after positions at the Immigration and Naturalization Service. Two found jobs on the Senate immigration subcommittee, and one landed with the immigration committee in the House. As a staff member once told Tom Wolanin, author of a story on advisory commissions, "I would have taken the detail of a White House Commission on anything, for the sheer prestige, even one on garbage collection."

Think it's about time for an Advisory Commission on the Improvement and the Standardization of Sanitary Engineer Procedures? Chances are someone's already setting one up. ■

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WHO'S WHO in the Administration

Last month we reported that **Paul Thayer** was the White House's man at the Pentagon. We should have said the White House *staff*'s. **Ronald Reagan** remains firmly in **Caspar Weinberger**'s corner, but he is now Weinberger's sole power base. Weinberger's predicament was clearly demonstrated last month when several "White House officials" told *The Washington Post* that blame for the Senate Budget Committee's rejection of Reagan's 10 percent defense boost should fall directly on the defense secretary. Herein lies peril for the Republic. Since Reagan and Weinberger are now alone among major administration figures in supporting unlimited defense spending, they are beginning to isolate themselves from those who would question them. Few on the White House staff saw an advance copy of Reagan's Buck Rogers speech in March. And Weinberger is certainly not going to start trying to restrain his only ally.

Thayer seems to have the self-assurance to remain unperturbed by such back-channel strife. But will he be able to make a difference on defense spending? We doubt it. Thayer, like many businessmen who come to government after having fought their way to the top of the corporate world, seems to no longer have the stomach for struggle. He's been through all that. He's paid his dues to life. Now he wants honors and limousines. And the military is expert at providing such goodies. Let him review the troops, stand on the captain's bridge as the jets sweep by, add a few ruffles and flourishes and a ceremonial dinner or two, and who will quarrel with a few billion dollars here and there in the budget?

We owe an apology to *The Los Angeles Times*. Last month we mistakenly reported that one of their Powers That Be tearfully solicited an invitation from the White House to Queen Elizabeth's party after his wife had been shamed by Jill St. John. The solicitation was actually made by the Los Angeles correspondent of another publication. . .

In

COMMERCE
Assistant Secretary for International Economic Policy—**Alfred Kingon** has been editor-in-chief for Maco Communications Inc. in New York.

DEFENSE
Assistant Secretary for International Affairs—**Richard Armitage** has been a department specialist on East Asian and Pacific affairs.

Inspector General—**Joseph Sherick** has been assistant secretary for review and oversight.

Commandant, Marine Corps—**Paul Kelley** has been deputy commandant.

STATE
Ambassador to New Guinea—**James Rosenthal** has been deputy chief of mission in Manila.

Ambassador to NATO—**David Abshire** has been president of Georgetown University's Center for Strategic and International Studies.

TREASURY
Fiscal Assistant Secretary—**Carole Dineen** has been vice president at Bankers Trust Company in New York.

AGENCIES AND COMMISSIONS
Administrator, Environmental Protection Agency—**William Ruckelshaus** has been senior vice president at Weyerhaeuser Company in Tacoma, Washington.

Member, Federal Home Loan Bank Board—**Edwin Gray** has been an executive at Great American Federal Savings and Loan in San Diego.

Inspector General, Small Business Administration—**Mary Wieseman** has been acting general counsel of the Legal Services Corp.

Out

WHITE HOUSE
Social Secretary—**Muffie Brandon** has resigned to become president of a public relations firm.

DEFENSE
Assistant Secretary for International Affairs—**Francis West Jr.** will join the Commission on Foreign Security and Economic Assistance.

Commandant, Marine Corps—**Robert H. Barrow** will retire July 1.

TRANSPORTATION
Director, Office of Civil Rights—**Wesley Plummer** has resigned.

AGENCIES AND COMMISSIONS
Acting Administrator, Environmental Protection Agency—**John Hernandez** has resigned and is a temporary consultant to the Energy Department.

Chairman, Federal Home Loan Bank Board—**Richard Pratt** has resigned.

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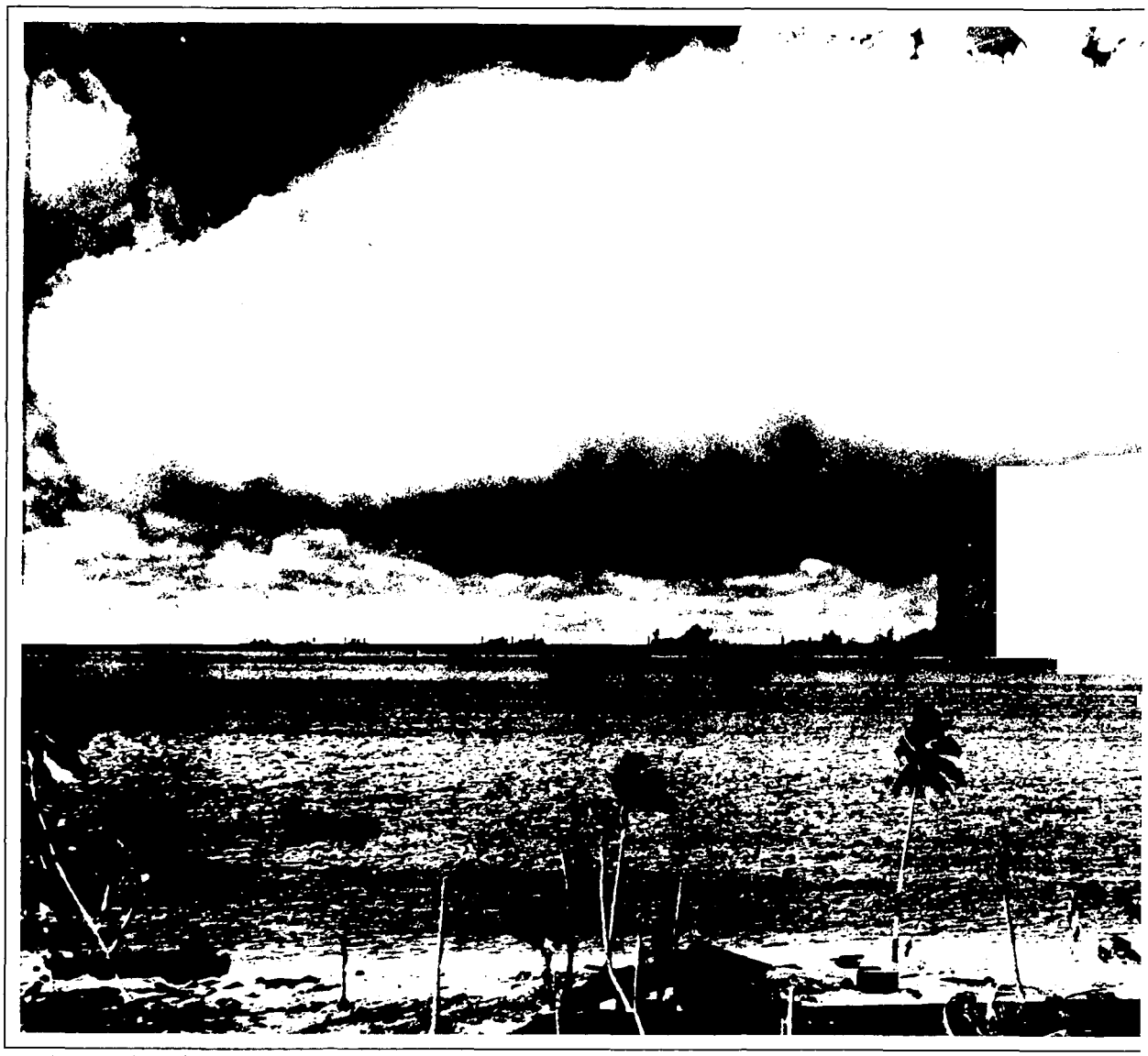
Bureaucracy and Th

THE HIDDEN FACTOR



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Bomb:

EHIND NUCLEAR MADNESS by Fred Kaplan

For all the recent talk about a nuclear freeze and halting the arms race, too little attention has been paid to explaining just how we got into our current predicament. Notions that rightfully strike most of us as absurd—shuttling MX missiles around on an underground racetrack, digging foxholes to protect against a nuclear blast—have not been the products of Dr. Strangelovian scientists, but of quite ordinary government officials, adhering to some very common rules of bureaucratic behavior.

One of those rules is quite familiar to the readers this magazine—the propensity of individual military services to protect and expand their own turf. The Army wants its short-range nuclear missiles for Europe, the Navy wants more nuclear submarines, and the Air Force wants both the B-1 bomber and the MX. But inter-service rivalries have done more than influence decisions on deploying specific weapons; they have also shaped the most basic tenets of the nation's nuclear strategy. The article that follows describes the origins of the most important of these rivalries—the one between the Air Force and Navy—and illustrates how bureaucratic jealousies have been a major force behind the irrational proliferation of nuclear weapons.

Fred Kaplan writes on defense for the Boston Globe. *This article is an excerpt from his book,* The Wizards of Armageddon *(Simon & Schuster, $17.95, © Fred Kaplan).*

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The inter-service rivalry over nuclear strategy between the Air Force and the Navy first broke out in 1949. In reaction to severe budget cuts, the top echelon of naval officers broke all traditions of subordination and publicly testified against the official emphasis being placed on the atom bomb, on the Strategic Air Command, and on the Air Force's B-36 bombers—at the expense of more traditional modes and weapons of combat, as represented by the Army and the Navy.

The chief Navy testimony came from Rear Admiral Ralph Ofstie. Ofstie had served on the U.S. Strategic Bombing Survey shortly after World War II and had been among those who concluded that the Army Air Force's strategic bombing had accomplished little for all the resources and lives that the effort had cost. In public congressional hearings in 1949, Ofstie condemned Air Force plans for strategic nuclear bombing as "ruthless and barbaric... random mass slaughter of men, women and children... militarily unsound... morally wrong... contrary to our fundamental ideals...."

The Navy's arguments were to no avail; support for SAC Air Power within Congress was too strong to be crumbled. So in 1951 the Navy started to assemble its own atomic arsenal. Suddenly the atomic bomb was no longer so "barbaric." Some naval officers even began to argue, along Air Force lines, that atomic bombs should be used at the outset of a conflict. Admiral Arthur Radford, as Eisenhower's Joint Chiefs of Staff chairman, later became the most vociferous proponent of John Foster Dulles's "massive retaliation" policy, the doctrine that called for the U.S. to unleash its entire nuclear arsenal against Soviet population centers upon even a small provocation.

In the mid-1950s the Navy began work on a project that would prove truly threatening to the Air Force—the nuclear-powered Polaris submarine. Each Polaris would hold 16 nuclear missiles; by continuously moving underwater these subs would be virtually impossible to detect or track. With a growing number of studies showing the vulnerability of SAC bases to a surprise Russian attack, the Polaris suddenly looked like a superior weapon for purposes of "massive retaliation." As one Navy captain told an Air Force friend, Colonel Richard Yudkin, assistant director of Air Force plans, "We've got something that's going to put you guys out of business."

In 1958, Admiral Arleigh Burke, chief of naval operations and the driving force behind the Polaris program, approved a study by the Naval Warfare Analysis Group (NAVWAG), "National Policy Implications of Atomic Parity." The study asserted that SAC's strategy—increasing the number of bombers and missiles as the Soviet buildup made them more vulnerable—could only be seen as a "prescription for an arms race, and an invitation to the enemy for preventive-war adventurism." NAVWAG's way to "get off the arms race treadmill" was to secure the strategic force through "mobility and concealment" in submarines rather than in the "hardening and active defense" of bombers, missiles, and anti-missile missiles. And, to avoid "the provocative over-inflation of our strategic forces, their size should be set by an objective of generous *adequacy for deterrence alone* (i.e., for an ability to destroy major urban areas), not by the false goal of adequacy for 'winning.'"

The Navy, in its new official line, had come full circle: from an abhorrence of city destruction in 1949 to its doctrinal glorification in 1958. The one consistent element in this 180-degree shift was opposition to whatever the Air Force happened to be plugging at the time. Since submarine-launched missiles would lack the accuracy to hit anything but enemy cities, the Navy urged that the necessary number of strategic weapons be kept to a minimum, restricting targets to major enemy cities (of which there were only a couple of hundred), and thereby making a strong case for putting all the strategic weapons underwater.

The NAVWAG study also pointed out that with the money saved from not having to build an "excessive" number of nuclear weapons, the U.S. conventional force could be built up so that in the age of "atomic parity" Soviet aggression at "lower levels of conflict" would not result in the free world's getting "nibbled to death." It was this sort of argument that frightened Air Force officers to distraction. There was a genuine logic to the Navy case and it was just the sort of thing that could do the Air Force in.

The Navy promulgated the message of NAVWAG through all available channels. Admiral Burke delivered speeches on the virtues of a mobile deterrent geared to the threat to destroy enemy cities ("mutual deterrence") and the dangers of relying on the current vulnerable land-based force. An unclassified version of the study was sent out in a letter to all retired naval officers with instructions to speak out on these issues in public as much as they could. General Tommy Power, commander of SAC, obtained a copy of this letter and sent it to General Tommy White, Air Force chief, adding that "we would be well advised to match this action in concept and to

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exceed it in distribution." As the director of Air Force plans and policy, General Hewitt Wheless, wrote to his SAC counterpart, General Charles "Westy" Westover, in May 1959, "There is an all-out battle going on right now."

Bureaucratic Fallout

More disturbing to officials like White was that the Air Force, especially SAC, in the construction of its own targeting plans and philosophy, was setting itself up for this Navy onslaught. The Air Force war plan involved destroying an "optimal mix" of urban and military targets. The report of an April 1959 "Coordination Conference" between SAC and Britain's Bomber Command referred to city destruction as the "Primary Undertaking" and destruction of military targets as the "Alternative Undertaking."

Tommy White conveyed his concern to Tommy Power: "This would lead to the conclusions... that attacking 'cities' constitutes the most important segment of the strategic effort. This conclusion would not only be used as further justification of Polaris but... also be used as a strong position (which is already emerging) to eliminate virtually any strategic requirement other than Polaris, i.e., SAC."

Under siege, the Air Force sought aid from a familiar ally: the RAND Corporation, a think-tank in Santa Monica, California. At Rand a new strategic concept was emerging—one that seemed ideal for the current battle with the Navy—called "counterforce/no-cities targeting." This strategy had been developed over the previous decade by an analyst named William Kaufmann and his colleagues as an alternative to the doctrine of massive retaliation. The obvious drawback of massive retaliation was that it called for an all-out nuclear attack even if the Soviet Union lobbed only one bomb on, or moved one brigade against, West Germany. This struck many as foolish overreaction now that the Soviets had the H-bomb, too; NATO allies also understandably wondered if the United States would really risk nuclear holocaust on their behalf. As General De Gaulle put it, would America really be willing to sacrifice New York to save Paris?

Kaufmann's counterforce doctrine sought to avoid that dilemma by proposing that Soviet aggression initially be met with a nuclear attack that included only military targets. The Soviets would realize that a retaliatory strike against our cities with their few remaining bombs would cause

Photo: U.S. Navy

Photo: U.S. Air Force

(Top) General Tommy White, Air Force chief, enthusiastically endorsed the concept of limited nuclear war two years after he had publicly denounced it. The reason? The Navy's new Polaris missile.

(Bottom) Admiral Arleigh Burke, chief of naval operations, likened the Air Force's assault on the Polaris to what Castro had done in Cuba: "This is just like Communism being here in this country."

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The one consistent element in the Navy's nuclear strategy was opposition to whatever the Air Force was supporting at the time.

us to obliterate their cities. Thus, the Soviets would restrict their retaliation to military targets, too—or perhaps not retaliate at all and surrender. This idea that a nuclear war could be limited and perhaps even "won" was central to Kaufmann's counterforce doctrine—and could even be seen as "liberal" and "humane" in comparison with John Foster Dulles's policy of massive retaliation. Most important, Polaris could play only a limited rôle in such a strategy; as Kaufmann observed in a February 1, 1960, memo entitled "The Puzzle of Polaris," the Navy's missiles lacked the explosive yield and accuracy to allow the U.S. "to pursue meaningful counterforce and damage-limiting strategies."

In June 1960 Kaufmann got a call from George Tanham, RAND's liaison with the Air Force Staff, asking him to come to Washington. Tanham had been talking with an Air Force general named Noel Parrish, who was worried that the Air Force was about to take a beating from the Navy. Tanham had told Parrish that Kaufmann had some reassuring ideas.

Parrish, who had been involved in some of the earlier disputes over the worth of aircraft carriers versus land-based bombers, hated the Navy. But he was no SAC lackey. As early as 1950 he wrote speeches for Air Force Chiefs of Staff Hoyt Vandenberg and Nathan Twining that entertained the notion of using the bomb against military targets only. So it was only logical that in June 1960, when Kaufmann told Parrish that his solution to the "Polaris Puzzle" was to alter SAC's strategy to attacking military targets only, avoiding destruction of enemy cities as long as the enemy avoids destruction of our cities, Parrish's eyes lit up.

Parrish was now assistant deputy for coordination under the director of Air Force plans. He had just put together a briefing, a compilation of all Air Force statements over the past year on targeting and strategy, to show just how inconsistent they were and to show that the Air Force really didn't have a strategy strong enough to beat the Polaris. When he gave the briefing to General Curtis LeMay, the vice chief of staff, LeMay had been dismissive of counterforce, saying that SAC studies showed that no matter what our targeting or Russian targeting might be, the number of people killed on both sides remained about the same. LeMay, though for completely different reasons, shared the belief of many modern critics of nuclear policy that a "limited nuclear war" was nonsense.

To help sway LeMay, Parrish arranged for Kaufmann to do a study on counterforce with particular concentration on comparing casualties under the different targeting plans. During the early summer of 1960, Kaufmann and two young RAND analysts—David McGarvey and Frank Trinkl—slaved away on a mathematical model they had developed for this purpose, working through the numbers and taking them through dozens of permutations.

The team's initial findings were as dramatic as Parrish hoped. One scenario, corresponding to the Navy's city-destruction strategy, had the Soviets launch a surprise attack against our SAC and submarine bases. The United States orders a full-scale retaliatory strike against Soviet urban-industrial targets with the small number of Atlas and Titan ICBMs, Polaris missiles, and alert B-52 bombers that have survived. The Soviets react by destroying our cities. The results: Three-quarters of the American population, 150 million people, dead; 60 percent of U.S. industrial capacity destroyed. By comparison, 40 million Russians, less than 20 percent of their population, are dead; about 40 percent of their industries are ruined.

In the second scenario, corresponding to SAC's Optimum Mix strategy, the Red Army attacks Western Europe. Conventional NATO forces cannot contain them, so SAC launches a full-scale attack against Soviet cities, airfields, missile sites, rail centers, shipyards, factories—all the targets. Several Soviet missiles and bombers escape the attack and rain destruction on as many American

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cities as they can. The result: Half the industrial base of both countries is destroyed; 75 million Russians are dead, 110 million Americans.

The third scenario, the counterforce/no-cities strategy, produces entirely different results. The Soviets attack Western Europe. Conventional forces cannot hold them; the U.S. launches a nuclear attack against the U.S.S.R. but restricts the targets to bomber fields, missile pads, submarine pens, and control centers associated with the Soviet Strategic Rocket Forces. The Soviets retaliate but, seeing that we have avoided their cities, find it in their interest to avoid ours as well, and likewise confine their attack to SAC striking forces. We "mop up" their remaining air defense and strategic forces, holding some of our weapons in a reserve force. We then send a message to the Russians, telling them to stop or else we will start picking off their cities one by one. The Soviets, clearly out-gunned, surrender. The war is over. Only three million Americans have died, and only five million Russians.

Parrish was thrilled. Kaufmann headed off to Washington to deliver a summary of the study to a larger, broader, and higher-level group of Air Force officers. Some of the officers had problems with Kaufmann's conception of counterforce. What if the Russians don't fight according to the counterforce rules? What if the "loser" uses his remaining weapons to destroy the "winner's" cities? Won't counterforce weaken the bedrock of nuclear deterrence and stimulate an arms race, resulting in heightened suspicion on both sides and higher danger of war by accident, miscalculation, or preemption?

Kaufmann was the first to admit to a whole series of uncertainties over how the war would actually proceed or end. But he was convinced that the threat of blowing up Soviet cities was inappropriate and not very credible now that the Soviets also had the power to blow up American cities. And in that context counterforce appeared to be the best hope in an awful situation.

Debate within the Air Force Staff came to a halt when General Tommy White, Air Force chief, embraced Kaufmann's briefing wholeheartedly. As late as June 1958 White had told an audience of national-security specialists that he was "disturbed" by the recent tendency among some analysts "to consider seriously self-restraints in nuclear weapons planning in the face of sure knowledge that no such restraints will be applied by the enemy. Our preoccupation with niceties in nuclear warfare. . . would, I am sure, delight the Kremlin." Now, only two years later, White endorsed

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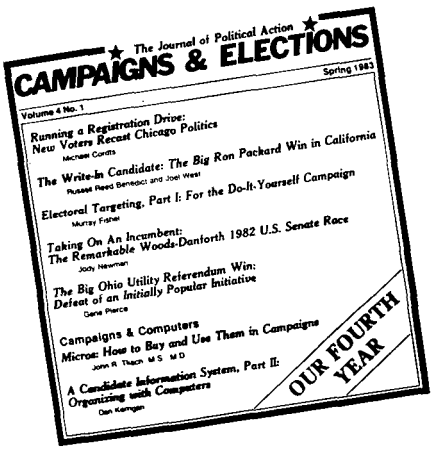

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Whichever service controlled the list of targets would decide how much money should be spent on each service's nuclear weapons.

without reservation a strategy that imposed just such "self-restraints" and elevated to high wisdom the "preoccupation with niceties in nuclear warfare." The key difference between the summer of 1958 and the summer of 1960 was that the Polaris had evolved into a much more serious threat to the Air Force.

Convincing White was one thing; convincing SAC was something else entirely. On paper, SAC was merely one of several commands under the Air Force Staff's wings; in truth, it was a fiefdom, not easily challenged, much less defeated. And the commander of SAC in 1960, General Tommy Power, abhorred any departure from the strategic-bombing traditions of World War II.

Power was a brutal, easily angered man who struck Air Force Staff officers outside SAC as dim-witted and insensitive to the dilemmas that the bomb raised. Once, when Herman Kahn was briefing Power on the long-term genetic effects of nuclear weapons, Power suddenly chuckled, leaned forward in his chair, and said, "You know, it's not yet been proved to me that two heads aren't better than one." Even Kahn was outraged, and sternly lectured to Power that he should not discuss human life so cavalierly.

At Tommy White's repeated urgings, General Power finally agreed to hear Kaufmann's counterforce briefing. It took place at SAC headquarters in Omaha on December 12, 1960. Not two minutes into the lecture, Power interrupted with a long, angry tirade against everything that Kaufmann was saying.

"Why do you want us to restrain ourselves?" Power bellowed. "Restraint! Why are you so concerned with saving *their* lives? The whole idea is to *kill* the bastards!" After several minutes of this, he finally said, "Look. At the end of the war, if there are two Americans and one Russian, we win!"

Kaufmann—his patience exhausted—snapped back, "Well, you'd better make sure that they're a man and a woman." At that point, Power stalked out of the room. The briefing was over.

SIOPted

However much SAC abhorred the notion of limited nuclear war, it had no intention of letting the Navy gain the upper hand in nuclear strategy. It had other plans for maintaining its supremacy, and they revolved around something known as the Single Integrated Operational Plan.

The SIOP was ostensibly the creation of Thomas S. Gates Jr., secretary of defense in the last year of the Eisenhower administration. By mid-1960 it was becoming all too clear that nuclear weapons were multiplying out of control. Each Air Force Command had control over the detailed war planning of its own nuclear arsenal, as did the Navy fleets and the Army units with their battlefield weapons. As things stood, many targets in the Soviet Union would be struck by American weapons twice, three times, or more. All strategic nuclear weapons, Gates thought, should be integrated under a single planning command and targeted according to that command's direction.

By 1960, faced with the prospect of having to live with the Navy's Polaris, the Air Force turned to the SIOP as a way to co-opt the submarine by taking all nuclear targeting out of the hands of the Navy. The Air Force Staff's original position, ardently advocated by White, was to create a unified "Strategic Command," putting SAC in charge of all the strategic weapons of all the Air Force commands *and* of the Navy fleets, including

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the new Polaris missiles. When resistance from the Army and the Navy in the working committees of the Joint Chiefs of Staff proved too adamant, White adopted what he had previously planned as a "fallback position" for the Air Force: creating a Joint Strategic Target Planning Agency, which would maintain the separate services but integrate the targeting of all their weapons and designate the commander-in-chief of SAC as the director of Strategic Targeting.

By early August Admiral Burke, still chief of naval operations, got wind of what the Air Force was up to. One of his aides happened to be over at the Weapons Systems Evaluation Group—a JCS think-tank—to transmit some technical data, at the group's request. Two Air Force officers also happened to be there, and they started to tease him. "At last," one of them said, "we've got control of the Polaris."

"What are you talking about?" Burke's man asked.

"We've got it in the bag. The decision's been made," the Air Force rep snickered. "All you have to do is find out about it."

When it came to threats from the other services, Burke was even more sensitive, protective, and paranoid than his Air Force counterpart, Tommy White. The Polaris was Burke's conception: he had pushed it through an unwilling Navy bureaucracy; he had calculated the technical requirements; he had helped devise the doctrine that justified it strategically; he had led the assault on the Air Force, using the Polaris as the opening wedge of the attack. Burke knew he was in a bureaucratic shooting war, and he wasn't about to let the Air Force get hold of his Polaris.

Arleigh Burke counted a few Air Force officers among his friends, but he hated the Air Force as an organization. "This is just like Communism being here in the country," he said, after catching on to the Air Force's SIOP ambitions. To Burke's mind, the Air Force was doing to national security what Castro had done in Cuba. "They're smart and they're ruthless," he warned Navy Secretary William Franke. "It's the same way as the Communists. It's exactly the same techniques."

The effort by Gates and Eisenhower to integrate the services' nuclear war plans was long overdue. But Burke understood—and knew that White and Power also understood—the politics underlying war plans in a way that Gates and Eisenhower apparently did not. Burke knew that whichever service controlled the target list, made the rules, and defined the criteria of what degree of damage must be inflicted on what targets and with what probability would in effect be the service that decided how those weapons would be used, how many weapons of what type the nation should buy, and how much money should be spent on each service's nuclear weapons.

Burke feared that if SAC were allowed to invent the definitions and criteria, it would invent "damage-expectancy" numbers that would require SAC to build a lot more bombers. He also feared that SAC would give the Polaris missiles such tasks as destroying Soviet air-defense sites, "paving the way for the B-52s," or hitting highly blast-resistant targets, which the inaccurate Polaris missiles could not destroy, thus proving "that it takes 67 of them to knock out this target."

Burke's predictions and fears came close to the truth. Everywhere SAC Intelligence looked it found targets, thus justifying the need for more weapons. SAC assumed the Soviets would have 700 ICBMs by 1962, while the Navy thought there would be only 200. The Air Force won the battle, to the extent that there was one, and the result was 500 extra targets, requiring more than 500 extra weapons. (The actual number of Soviet ICBMs in 1962, revealed later by satellite reconnaissance photos, was four.) Similarly, SAC listed 1,115 airfields that should be targeted; the Navy analysts found only 770. SAC also assumed that a fairly high percentage of its bombers would be destroyed on the ground or shot down by Soviet missiles and interceptors. If, subsequently, the resulting operational force were only one-third the size of the total force, that would mean the total SAC bomber force would have to be tripled. Meanwhile, as Burke anticipated, most Polaris missiles were shunted off to hit surface-to-air missile sites or wasted on targets they had scant chance of destroying alone.

The initial guidance for the SIOP also specified that there be at least a 75 percent chance of destroying certain targets. Power and his staff pounced on those magic words "at least." They initially specified that the 202 most important targets be destroyed with 97 percent probability, the next 400 targets with 93 percent. Eventually, this was modified, but in the final result of the first SIOP, seven targets had to be destroyed with 97 percent assurance, 213 with 95 percent assurance, 592 with at least 90 percent, and 715 with at least 80 percent. This meant, just as Burke had predicted, that a lot of targets would be hit with a lot of weapons. For example, nine weapons were to be "laid down" on four targets in Leningrad, 23 weapons on six target complexes in Moscow, 18 on seven target areas in Kaliningrad.

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On November 3, George Kistiakowsky, chairman of Eisenhower's Science Advisory Committee, traveled to SAC headquarters for three days, at the request of the president, to be briefed on the status of the SIOP. Arleigh Burke had planted suspicions about SAC's manipulations through Eisenhower's naval aide, E.P. Aurand, prompting Eisenhower to have Kistiakowsky check out the rumors. "Kisty" brought along one of his aides, a weapons scientist named George Rathjens, who looked through SAC's atlas of Soviet cities, searching for the town that most closely resembled Hiroshima in size and industrial concentration. When he found one that roughly matched, he asked how many bombs the SIOP "laid down" on that city. The reply: one 4.5 *megaton* bomb and three more 1.1 *megaton* weapons in case the big bomb was a dud. The explosive yield of the atomic bomb that destroyed one-third of Hiroshima on August 6, 1945, was a relatively puny 12.5 *kilotons*.

SAC—or its SIOP incarnation, the Joint Strategic Target Planning Staff, the JSTPS—finished the SIOP on December 14, 1960, just as Eisenhower had ordered. It was labeled SIOP-62, meaning that it was to go into effect in fiscal year 1962, which would begin June 1961. In the event of a war, it called for shooting off, as quickly as possible, the entire portion of the U.S. strategic nuclear force that was on alert. That meant 1,459 nuclear bombs, ranging from ten kilotons to 23 megatons, totaling 2,164 megatons in all, against 654 military and urban-industrial targets in the U.S.S.R., Red China, and Eastern Europe. China was targeted because it was part of the Sino-Soviet bloc, Eastern Europe because it hosted hundreds of Soviet air-defense radar and missile sites that had to be "taken out" so SAC bombers could fly safely to the Russian heartland. JSTPS calculated that the U.S alert force alone would kill 175 million Russians and Chinese.

In mid-December, Secretary of Defense Tom Gates, along with several Pentagon officials and the Joint Chiefs, listened to one of Tommy Power's aides run down all the facts and figures of SIOP-62 in a lengthy briefing. They heard it two days in a row—the first by themselves, the second with a slightly broader audience including the service secretaries. After the second presentation, Gates asked the chiefs what they thought. Tommy White of the Air Force naturally thought it was splendid. The Army and Navy chiefs, George Decker and Arleigh Burke, privately thought it excessive, but they knew when they were outgunned, and Burke had by now decided that his best strategy was to take over the SIOP when the new Kennedy administration came into office. They too expressed general approval.

Then General David Shoup, commandant of the Marine Corps, spoke up. The Marines had virtually no involvement in the nuclear game, so Shoup could take a position close to that of an outsider. The day before, during the first briefing, Shoup had been bothered by a graph that showed tens of millions of Chinese being killed by the U.S. attack. He had asked General Power what would happen if the Chinese were not in the war. "Do we have any options so that we don't have to hit China?" he inquired.

"Well, yeh, we *could* do that," Power reluctantly replied, squirming in his front-row seat, "but I hope nobody thinks of it because it would really screw up the plan."

As the nation's military leaders endorsed SIOP-62 before the secretary of defense, David Shoup stood and said, "Sir, any plan that kills millions of Chinese when it isn't even their war is not a good plan. This is not the American way."

Early in the Kennedy administration, Robert McNamara's "Whiz Kids"—several of whom had been RAND analysts—convinced the defense secretary of the merits of counterforce/no cities. McNamara revised the SIOP to allow for this limited nuclear-war option, only to see both the Navy and the Air Force exploit the change to their advantage. The Navy's Burke convinced McNamara to designate the Polaris a "reserve force" under this strategy—a rationale that prompted the massive buildup of the nuclear submarine fleet in the 1960s. The Air Force used McNamara's endorsement of counterforce as the justification for 1,000 extra Minuteman missiles, the B-70 bomber (later cancelled), cruise missiles, and a host of other weapons that McNamara didn't want to buy.

Largely to suppress the Air Force's appetite for more weapons, McNamara eventually renounced counterforce and reverted to a form of massive retaliation that later became dubbed "mutual assured destruction," or MAD. But the actual targeting plan—the SIOP—remained fundamentally the same.

In ever-more refined form, the RAND strategy survives today. And—as displayed in such debates as the MX (Air Force) versus the Trident II (Navy) missiles—so does the bitter inter-service rivalry that helps sustain the arms race. ■

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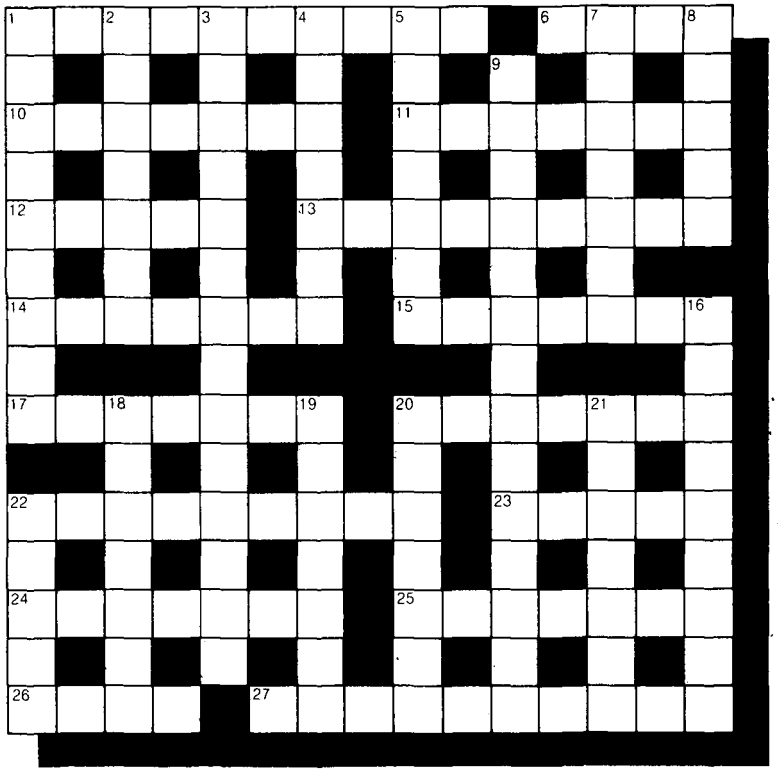
POLITICAL PUZZLE



by John Barclay

The numbers indicate the number of letters and words, e.g., (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word.

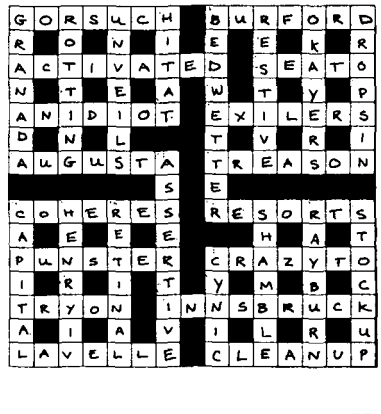
ACROSS

1. Tossed-salad lover country. (2,8)
6. Sort of rain putting 101 in notice. (4)
10. Stole a base for Pittsburgh? (7)
11. Elsie busy in South Dakota about engines. (7)
12. Tippy canoe and Indian too. (5)
13. Jets leave marks like fleeing prisoners? (9)
14. Puts away permanently and shakes Ben most. (7)
15. Well-known fighter treated to a malt. (7)
17. Egger scattered purse around train. (7)
20. Carefully train as singer. (7)
22. Pronounce Annie cute, in a way. (9)
23. German of stern appearance. (5)
24. Absentees composed little North American trust. (7)
25. Make it steer for Adriatic port. (7)
26. Slide or golden, for example. (4)
27. American program unnaturally raiding foe. (7,3)

DOWN

1. Hudson and DeSoto, for example. (9)
2. Strange present for cold-blooded type. (7)
3. Firpo and Vilas, for example, disturbed in carmine atlas. (5,9)
4. Overdoers did cast around for answer. (7)
5. Preacher Roberts absorbs noise to produce church book. (7)
7. He produced drug and cured 1,000 itches. (7)
8. Wooden State Department area positions? (5)
9. Masachusetts' contribution to redistricting? (14)
16. Bad policy stirred up rapid hate. (9)
18. Rare luau arranged around sunrise. (7)
19. Roasted, mad father entertains children. (5,2)
20. Power symbol restoring respect. (7)
21. Filed a suit in the country. (7)
22. Post centers in the middle. (5)

Answers to last month's puzzle:



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POLITICAL BOOKNOTES

A Better Fog: Herbicides and Human Rights. Carol Van Strum. *Sierra Club, $14.95.*

A Piece of My Mind. Andrew M. Greeley. *Doubleday, $13.95.*

America Wants to Know: The Issues and the Answers for the Eighties. George Gallup, Craig Norback. *A & W, $19.95.* Gallup's poll may have identified the 100 most burning issues of the '80s but this book quickly dulls the appetite for information. Four hundred-plus "experts," mostly college professors, repetitiously define and redefine the basics of inflation, non-cholesterol diets or the Supreme Court's certiorari process. Certain specifics discussed, such as tax law or Social Security, are already obsolete, overtaken by legislative events. But a patient reader will find some intriguing ideas clearly articulated, such as how government regulations, personnel requirements, hospital associations, and incompetent hospital administrators make health care more expensive.

—Pat Martin

American Diplomacy and Emergent Patterns. Kenneth W. Thompson. *University Press of America, $11.50.*

The American Opportunity. Edwin Hartrich. *Macmillan, $17.95.*

The Bells of the Kremlin: An Experience in Communism. Arvo Tuominen. *University Press of New England, $22.50.*

Capital Taxation. Martin Feldstein. *Harvard University, $40.*

The Confidence Gap: Business, Labor, and Government in the Public Mind. Seymour Martin Lipset, William Schneider. *Free Press, $19.95.* Those who can withstand the unremitting parade of poll results will find this book a convincing and occasionally fascinating confirmation of Jimmy Carter's observation that there is a "crisis of confidence" in American institutions. The authors conclude that Americans are growing increasingly upset with the "competition for power and profit motivated mainly by self-interest" among the leaders of business, labor, government, and other special-interest groups. That the public seems ready to reject the politics of interest-group lobbying, is a timely observation for the gathering horde of presidential candidates already paying their regards to everyone from the AFL-CIO to the U.S. Chamber of Commerce.

—Richard Meyer

The Cuban Threat. Carla Anne Robbins. *McGraw-Hill, $19.95.*

Dangerous Currents: The State of Economics. Lester Thurow. *Random House, $16.95.*

Decadent Societies. Robert M. Adams. *North Point, $15.*

Deduct This Book J. Peter Segall. *Involvement Group Press, $6.* Peter Segall shows how it's possible to coordinate liberal principles with financial well-being when filling out your tax form: not one cent of taxes for nuclear warheads, but thousands in deductions for solarizing your home. But the reverse of this argument is that if we endorse government policies like welfare, we should support it by cashing in IRA accounts prematurely to pump more tax revenue into the system. A noble idea, but one which most readers will balk at.

—James Gibney

Distant Water. William W. Warner. *Atlantic—Little, Brown, $17.95.* For anyone who read *Beautiful Swimmers*, there will be no surprise in learning that its author has produced another fascinating and gracefully written book. What is surprising is that part of his tale is an unusual story of effective government action—how the Fishing Conservation and Management Act of 1976 rescued our fishing grounds from an imminent danger of depletion.

Another surprise is that among the fishing boats of different nations in which the author sailed during the course of his research, a Soviet ship and its crew turned out to be not only the most engaging but the most impressive, neither evil or inept, as so many of us in the West tend to imagine them.

—Charles Peters

Doctor for the Prosecution: A Fighting Surgeon Takes the Stand. Richard Chodoff, M.D. *Putnam, $14.95.*

The Good Years: Your Life in the Twenty-First Century. Caroline Bird. *Dutton, $15.95.* This is a rambling and unfocused pep talk for the elderly and soon-to-be that draws on personal reminiscences and interviews that elicit such pungent observations as, life is "a voyage of discovery through stormy seas." The book is described as a "realistic—yet optimistic—look at what the 21st century holds for the adults of the 1980s." But realism here is in short supply. Bird provides role models of the "ageless"—a parade of celebs like Bill Paley, Armand Hammer, and Eleanor Roosevelt that she admits are "a privileged lot."

—Nina Easton

The Insanity Plea. William Winslade, Judy Ross. *Scribner's, $15.95.*

Lowenstein: Acts of Courage and Belief. Gregory Stone, Douglas Lowenstein, eds. *Harcourt, Brace, Jovanovich, $18.95/$9.95.*

Make Believe: The Story of Nancy and Ronald Reagan. Lawrence Leamer. *Harper & Row, $14.95.*

The Media Monopoly. Ben H. Bagdikian. *Beacon, $14.75.*

New Force on the Left: Tom Hayden and the Campaign Against Corporate America. John H. Bunzel. *Hoover Institution Press, $6.95.* Hayden deserves a weightier and fairer critique than the one provided by this short book. Its author can't

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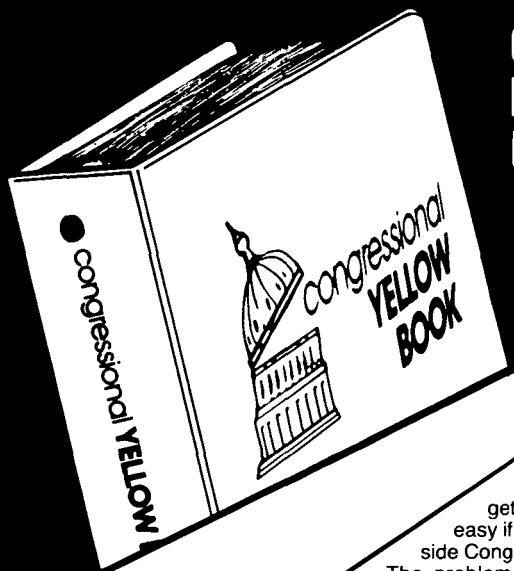

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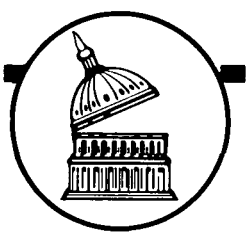

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seem to decide whether what bothers him is that Hayden is still a radical (fake!) or is genuinely mainstream (hypocrite!). Such a dilemma spawns sentences like this: "Hayden's arguments for the soundness of Economic Democracy rest on his conviction that what he proposes is right for the American people." About whom is this *not* true?

Bunzel sees Hayden's career as a straight line from New Frontier radical to Maoist to TV-age machine pol. What he misses is that in his Maoist period, Hayden, like so many others, was rushed along by events. The real connection is between the early Students for a Democratic Society and Hayden's current Campaign for Economic Democracy. SDS's 1962 Port Huron Statement is as hopeful and open a document as you'll find (if somewhat naive and snobbish). Both it and current calls for economic democracy fall within the indigenous American tradition of every worker dreaming to be his own boss, in control of his own life. Practical problems abound, certainly, but Hayden should be applauded for trying to translate his dreams into *electable* reality.

—*Michael Waldman*

The Next Economy. Paul Hawkins. *Holt, Rinehart, and Winston, $14.50.*

Paradoxes of Power: The Military Establishment in the Eighties. Adam Yarmolinsky, Gregory Foster. *Indiana University Press, $15.*

The World After Oil: The Shifting Axis of Power and Wealth. Bruce Nussbaum. *Simon & Schuster, $15.95.*

Risk by Choice: Regulating Health and Safety in the Workplace. W. Kip Vicusi. *Harvard University Press, $18.50.* Vicusi, the deputy director of the Council on Wage and Price Stability for Carter, is from the school of economist-regulatory reformers to whom cost-benefit analysis is the high totem of rational decision-making. The flaws of that approach are graphically illustrated in his elaborate argument that workers pick and choose among jobs based on an assessment of the health risks they face (hence the title). The notion strains credulity, given an economy where high unemployment is endemic and information about the actual health risks workers face is routinely withheld by their employers, as was the case for decades with asbestos.

Still, the book is succinct and forcefully argued, and worth reading to gain a better understanding of the mind-set now governing regulatory policy in Washington.

—*Ronald Brownstein*

The Next American Frontier. Robert Reich. *Times, $14.95.* The thesis of this important and provocative book is that America's major industries—particularly steel, automobiles, and other heavy manufacturers—are doomed in their current form, given a global economy in which countries with lower wages can duplicate our high-volume, standardized production techniques. Japan is not our only nemesis; Korea, Singapore, and other competitors wait in the wings. Yet rather than move toward a "flexible production" economy that emphasizes highly skilled workers and specialized products, Reich argues that America's business, labor, and government leaders are resisting the changes that could meet the challenge. Such recalcitrance is best illustated by the efforts of management and labor in the steel industry to throw up import barriers rather than reinvest in new equipment or accept lower wages.

Reich excels in analyzing the reasons for our economy's predicament. His chapter tracing the rise of modern corporate management is a fascinating bit of social and economic history. The book's best chapter describes in devastating detail the proliferation of "paper entrepreneurialism," by which corporate executives have forsaken innovation and long-term investment strategies for mergers, accounting tricks, and other nonproductive means of impressing stockholders. Reich is not blinded by many traditional liberal prejudices; for example, he recognizes the contributing role unions have played in our economy's decline.

Nonetheless, Reich's triumph is a qualified one. While some of his policy prescriptions are ingenious, others are unsatisfyingly vague. More troubling are his occasional lapses into conventional wisdom. For example, his case for a new emphasis on "human capital" is compelling. But it's disappointing that in analyzing the failure of our education system Reich falls back on the old standby that we haven't given our schools enough money, even though educational spending has kept well abreast of inflation and some of the nation's worst schools are also the most expensive. Reich also shares a bias common among those on the left—manufacturing jobs are so "tedious and menial" that if workers can't be handsomely compensated, the jobs really aren't worth saving.

But Reich succeeds admirably in identifying our economy's underlying problems and the failure of current policies to address them, and he poses the central question: What must we do to make our economy grow and prosper in an increasingly competitive world? Protectionism is not the answer, nor is fine-tuning with monetary and fiscal policies. Reich is sublimely right that the key lies in politicizing the difficult economic decisions coming about sharing sacrifices and equitably parceling out the resulting benefits. A panel of "experts," something like a refurbished Reconstruction Finance Corporation, could make these decisions more easily than they could be made in the contentious arena of national politics. But Reich is enough of an optimist to believe that the democratic process can rise to the occasion—and enough of a realist to know that people won't accept those hard choices unless they've helped make them.

—*Phil Keisling*

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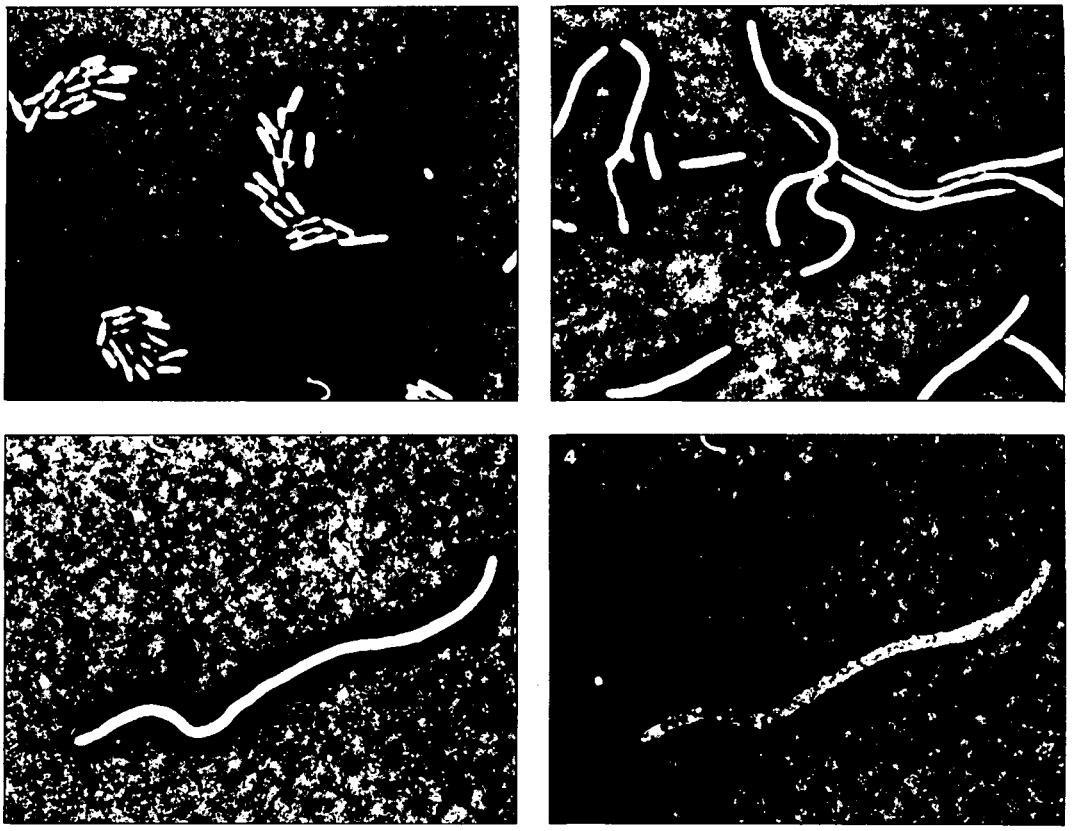

Bacteria in lab dish (1) elongate after addition of piperacillin, a new antibiotic (2); the cell wall of the microorganism weakens (3), then ruptures and dies (4).

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